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Portuguese Arms Reportedly Reach Yugoslavia

LD0505194393 Lisbon RTP Internacional Television in Portuguese 1800 GMT 5 May 93

[Text] Portuguese-made weapons are being used in the fighting in former Yugoslavia. Officially sold to Bolivia, they were subsequently diverted to Bosnia with the complicity of members of the Bolivian Armed Forces. In Washington this morning [Defense Minister] Fernando Nogueira confirmed to [RTP correspondent] Mario Crespo the sale of arms to Bolivia. The defense minister stressed that Portugal is only responsible for the sale, not for the weapons' final destination:

[Begin Nogueira recording] We would be the last to wish to see Portuguese weapons in that theater of operations. What may have happened, but still remains to be proved, is that weapons legitimately sold by Portugal to third countries were then dispatched from those countries to former Yugoslavia, a fact for which we bear no responsibility. [end recording]

Ministers Address Moneymarket '93 Conference

LD0605215593 Budapest MTI in English 1924 GMT 6 May 93

[Text] Budapest, May 6 (MTI)—Since Comecon's collapse caused the Czech Republic serious headaches, Czechs want trade barriers within eastern Europe removed, to speed their transition to a market economy, Czech Finance Minister Ivan Kocarnik told the "Moneymarket '93" conference, which opened in Budapest today.

The Polish finance minister, Jerzy Osiatynski, did not come to Budapest but sent a written contribution, pointing out that cultivating neighbours is vital for interdependent ex-Comecon countries. The Polish minister compared cooperation between the Visegrad Group members (Hungary, Poland, the Czech Republic, and Slovakia) to south European cooperation in the 1970s.

Slovak Finance Minister Julius Toth said cooperation was between innovating countries with similar difficulties.

Alongside regional cooperation, they also need closer ties with western Europe, Hungarian President Arpad Goncz said to finance ministry representatives of the four countries today.

The Hungarian head of state emphasized the need to raise the woeful level of economic ties between Visegrad countries.

Liberal International Bureau Session in Sofia

AU1005092293 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 7 May 93

[Text] The session of the Liberal International, chaired by its Chairman Otto Graf Lambsdorff, which took place at the Boyana Residence in Sofia, ended tonight. Six of the eight Bureau members, Bulgaria's President Dr. Zhelyu Zhelev included, attended the session.

The Bureau adopted the decision to recommend that the next Congress of the Liberal International expel the Austrian Freedom Party [FPOe], which has manifested strong nationalistic trends in recent years.

Applications of various parties from all over the world for admission to the organization were discussed and it was recommended that our Bulgarian Radical Democratic Party should become a member of the Liberal International.

Following the session, which lasted five hours, Otto Graf Lambsdorff gave a news conference, but before broadcasting it I would like to apologize for the poor quality of the recording due to an equipment failure in the conference hall. This is what Graf Lambsdorff declared:

[Begin Lambsdorff recording in English with superimposed Bulgarian translation] As I told you, we dealt with the situation in Bulgaria, among other things, and with the latest developments in your country. The Bureau noted with satisfaction that Bulgaria plays the role of a stable element in the context of the overall Balkan situation; we accept Bulgaria's basic stand on the situation in former Yugoslavia, and we point out, in particular, the lack of all territorial claims on Bulgaria's part toward that country.

We have the impression that President Zhelev is a really liberal person, which comes from his way of thinking and speaking, and from his entire political behavior. If we had not had this impression, we would have never invited him to become a member of the Liberal International. We have encountered very few public figures who deserve this position, which we regard as a special privilege. I am convinced that Dr. Zhelev shares this view.

The Radical Democrats are a truly (?democratic party). They have been present at our sessions as guests for quite some time, for this is the regular procedure, and [name indistinct] has regularly attended the meetings of our Executive Committee and also our congress. He has listened to our debates, and we have never had any reason to doubt that he and his colleagues from the Radical Democratic Party are (?eligible).

EC Official Meets With Czech, Slovak Leaders

AU0505131693 Prague CTK in English 2101 GMT 3 May 93

[Text] Bratislava May 3 (CTK)—Thanks to partnership within the Visegrad Group, the Czech and Slovak Republics can find their cooperation with the European Community (EC) easier, EC Commissioner for External Relations and Security Policy Hans Van den Broek told CTK here today after talks with Slovak President Michal Kovac.

In the EC association policy, there is no such idea as a preferred country, said Van den Broek, who arrived in Bratislava from Prague today. He warned, however, that association with the EC for the Czech and Slovak Republics would depend, among other things, on the settlement of Czech-Slovak relations following the split of Czechoslovakia at the end of 1992.

Slovakia is likely to be able to sign the EC association agreement in September, Kovac said, expressing satisfaction with the talks.

Van den Broek also met representatives of Hungarian parties in Slovakia. Erno Rozsa, a deputy for the Egyutteles, said there were many cases in which the Slovak Constitution was not observed. While there is no limit on the extent of land which can be restituted to Slovaks, a 50-hectare limit has been imposed on ethnic Hungarians, he noted.

Van den Broek also met Slovak Foreign Minister Jozef Moravcik, but did not comment on their talks. The EC commissioner holds talks in Budapest tomorrow.

Central European Countries Discuss Trade

AU0705184193 Prague CTK in English 2055 GMT 5 May 93

[Text] Bratislava, May 5 (CTK)—Hungary submitted draft principles for the liberalisation of trade between the member states of the Central European Agreement on Free Trade (SDOVO) at a meeting of their representatives which opened in Modra near here today.

The meeting is attended by experts from the Czech Republic, Slovakia, Hungary and Poland.

The Central European Agreement on Free Trade Region was signed December 21, 1992 in Krakow, Poland, and took effect March 1. It is aimed at removing barriers in the member states' mutual trade while keeping their customs duties and regulations in relation to third countries.

Milan Vavra, head of the Czech delegation, told CTK Tuesday [4 May] that the SDOVO meeting should deal with shortening the transition period to fully liberalised trade from eight to five years.

Two months ago, Czech specialists handed their Hungarian and Polish counterparts a proposal for shortening the transition period for liberalizing trade in industrial products. Hungary and Poland are expected to present a project for improving agricultural trade at the current session.

Vavra said, however, that a final agreement on these issues was not expected from the current meeting set to end May 7.

It was the former Czechoslovakia that initiated moves to shorten the eight-year transition period. On initialing SDOVO last December, the signatories declared their common interest in finding a way to shorten the period. At their meeting in Warsaw in March, however, the delegations did not have a mandate to negotiate.

As of March 1, SDOVO liberalised trade between its member states in the least sensitive goods. For the second group of goods, protective measures will be valid until the end of 1996, and for the third one until the end of the transition period.

Protocol Signed on Trans-Balkan Transportation

AU1005105393 Sofia BTA in English 0750 GMT 10 May 93

[Text] Skopje, May 10 (BTA)—At a two-day meeting in Ohrid which ended yesterday, the transport ministers of Bulgaria, Albania and Macedonia signed a protocol on the establishment of a trans-Balkan rail and road corridor from the Adriatic to the Black Sea. At a later stage, Italy and Turkey will join the project as immediately interested parties.

Under the document, by June 15, 1993 the three Balkan states will form a mixed working group to draft a joint proposal from the governments of Bulgaria, Albania and Macedonia to the international financial institutions. Mr. Neycho Neev, Bulgaria's deputy prime minister and minister of transport, said the construction of the railway sections can start immediately, while negotiations are held with the international financial institutions on financing of the project. "We hope that the project will be the final one and that no new version will have to be worked out, as now we have covered all modes of transport. As early as next week we'll take action to provide an air corridor between the three countries as well," the Bulgarian minister said after the meeting.

'Authentic Text' of Serreqi's Remarks on Bosnia

LD0905113293 Tirana Radio Tirana in English 2130 GMT 8 May 93

[Text] Concerning some wrong information and wrong interpretations that are being observed in the Albanian press, the source being AFP, the following is the authentic text of the statement by Albanian Foreign Minister Alfred Serreqi during his official visit in Warsaw.

To the question, if there will be intervened militarily [as heard] in Serbia, is Albania going to proclaim war on Milosevic and is it going to intervene militarily against Serbia, the Albanian Foreign Minister Alfred Serreqi said: It doesn't belong to Albania to proclaim war on Milosevic. On the other hand, we are of the opinion that the military potential of Serbia ought to be reduced and the embargo of weapons against Bosnian people should be lifted, because the actual embargo on weapons and the other measures have caused harm to the victim and favor the aggressor.

Meksi Assesses Government's Work, Prospects

AU1005075193 Tirana RILINDJA DEMOKRATIKE in Albanian 22 Apr 93 p 1

[Interview with Prime Minister Aleksander Meksi by Radio Tirana correspondent Zamira Koleci in Tirana on 18 April: "We Have the Objective of a Work Based More on Laws"]

[Text] [Koleci] Mr. Prime Minister, how would you assess the first year of activity of your government?

[Meksi] A year of governing is a lot of time, and it is also not a lot of time. It is a lot of time because it is not a short period in the history of a small country. It is not a lot of time considering the extremely bad situation in the country that the government inherited. Under such circumstances, a judgment can, in many ways, be given, but I think that the best assessment would be: Has the situation in Albania improved during this year and to what extent has it improved? On the other hand: Has the further development of Albania any prospect of overcoming the inherited situation?

I can say that, in both cases, the answer is positive. Of course, those opposing the government can express the contrary opinion, but I think that the country's situation has improved. This can be seen at first glance by someone coming back here after a year. The market, recovery, the start of construction, etc., testify to this.

Of course, more could have been done. However, many circumstances, among which is the situation in the region, hindered and still hinder investment. We can mention other reasons, such as a lack of experience, which is also both a human and objective fact, and the difficulties in beginning work that was, until recently, unknown, such as the process of investment, preparation for it, etc. We, perhaps, thought that many things would have been done very quickly and this may be true. However, this time was not ill-spent, because a prospect was opened to the country. I hope that the abundant aid we have received from the IMF, the World Bank, the EC, Italy, Greece, Turkey, the United States, Germany, aid that was repeated this year; the approval of the economic program; the compilation and almost completion of the three-year development program that was drafted under the support of the IMF and World Bank teams, is a very clear prospect for Albania. The resumption of work in the copper and chromium mines and in petroleum wells shows that the opportunities are great. I think that the start of construction, the building of roads, and the resumption of work in the Banje Hydroelectric Plant (though we are accused of lying—and this is not at all true) are not paltry. The revival of telecommunication, infrastructure in general, and trade, which of course is a renewal that will further undergo transformation, even in its structure, as trade is now more developed in the streets than in shops, all speak for themselves.

[Koleci] After a year of working experience, what are the objectives of the Albanian prime minister?

[Meksi] Of course, after a year of encountering problems every day, both those that cannot be solved and should be solved and those we have solved and perhaps should have solved better, our objectives are exactly in these aspects: We should carry out a work more based on laws, a work with a better foundation and better organized, increasing the request to accomplish duties put forward by the government. Thus, we have the aims of a better organized public order, a market economy, and a government that is useful for the country.

[Koleci] Do you think that, with the new team and the changes in the cabinet, you will achieve better results than anticipated?

[Meksi] The changes do not mean a change in the government's policy. The government's program remains the same. We are not used to making changes. I say that we will get used to it. In the future we will always have such changes. I myself can be one of those who will be changed. There is nothing to be surprised about here. The policy is what remains. The cabinet staffs and special ministries are those that do the job, the people at the base perform it. Thus, the changes are, so to say, a transfusion of new blood. It is a chance to see better. This does not at all mean that those who were before us did not work and should not be thanked for the work done to the benefit of Albania and democracy.

Meksi, Manushi, Meet With Trade Union Leader

AU0905152693 Tirana ATA in English 0819 GMT 9 May 93

[Text] Tirana, May 8 (ATA)—The Premier Meksi and the Minister of Construction, Housing, and the Territory Adjustment Ilir Manushi had a working meeting in the seat of the Council of Ministers with the Presidency of the Independent Trade Union of Construction.

In this meeting, the chairman of this trade union pointed out that the workers of construction have never interrupted their work, so they have demands they deem useful for their job.

Mr. Meksi and Mr. Manushi pointed out that the workers of construction have always been working and even in the gravest conditions during the dictatorship, so it is high time for them to be paid for their sweat.

At the end, both parties agreed that the Law on Enterprises and Payments should be reviewed to the benefit of the enterprises of this sector.

The trade union members valued the meeting as indispensable for the interests of their trade union.

Selami, EDU Delegation Hold News Conference

AU0905153093 Tirana ATA in English 0816 GMT 9 May 93

[Text] Tirana, May 9 (ATA)—In the press conference by the representatives of the delegation of the European Democratic Union [EDU] and the Chairman of the Democratic Party Eduard Selami on May 8, they underlined that the main task of this union is to fight against communism and establish new democratic structures in the former communist countries. The leader of the delegation, Mr. Patti, valued the role of Albania in this context and the activity of the government, which according to him, "is observing the European norms. Another advantage for progress," he also said, "is the fact that Albania has a government with a democratic majority."

Mr. Selami said the political situation in Albania is flaring up due to the deep roots of communism in Albania. He described the present socialist leaders as the favourites of the past regime and it has been careful in this selection in order to cover up the past crime and corruption. In the replies to the reporters, Mr. Selami did not accept the existence of a parliamentary crisis, and consequently the possibility of having new elections. "This," he said, "is the crisis of those who have stolen and are plunged deep into corruption."

Both Mr. Selami and Mr. Patti expressed the opinion that the need of military intervention against Serbia is becoming clearer and clearer. Selami added that the situation in the Balkans may become more complex if the war spreads in Kosova.

Socialist Party Asks Government To Resign

AU0805175193 Tirana Radio Tirana Network in Albanian 1730 GMT 7 May 93

[Text] This afternoon in front of the capital's Dinamo Stadium the Socialist Party [PSSh] Managing Committee for Tirana organized a rally attended by approximately 5,000 people.

The chairman of the PSSh Managing Committee for Tirana opened the meeting. At the beginning of his speech, he said that the PSSh has come to the conclusion that the present government is incapable of governing the country. He blamed the government and its economic policy for the serious economic crisis, the large number of unemployed, and the grave situation of retired people.

He and the other speakers who took the floor, such as representatives of the Eurosocialist Youth, Socialist Women, Trade Union Confederation, etc., asked for the government's resignation.

The PSSh Chairman Fatos Nano also spoke at the meeting. He said that we have raised our voice in the People's Assembly, but we will raise our voice everywhere to ask for justice, better living conditions, unity, and cooperation. We want to build a real democratic order. In conclusion, Nano said that socialists will defend the interests of the unprivileged strata of the Albanian society and will fight so that this country goes toward well-being and progress.

Many deputies of the PSSh parliamentary group participated in the meeting.

PSDSh, PSDK Issue Joint Statement

AU1005072793 Tirana ALTERNATIVA SD in Albanian 23 Apr 93 p 2

[Joint statement by the Albanian and Kosovar Social Democratic Parties on the national question; place and date not given]

[Text] As the two political forces representating the Albanian nation, the Albanian Social Democratic Party [PSDSh] and the Kosovar Social Democratic Party [PSDK] are fully committed to solving the Albanian national question in a decisive manner, in conformity with the century-long aspirations of the entire Albanian people, who live on their historic territories.

Both parties think that the Albanian national question should be considered and treated as a whole, without underestimating or overestimating one or the other of its aspects. However, they are of the opinion that, in crucial moments, priority should be given to the solution of special problems. This solution derives from their own importance, which is decisive for the destiny of the Albanian nation.

Conscious of the situation that the Albanian people of Kosovo are undergoing, both parties think that it is their sacred task to fight, with all their might, together with all other Albanian political and social forces, to liberate Kosovo from the fierce rule of Serbian chauvinism and recognize it as an independent republic in conformity with the will expressed by the Albanian people.

The PSDSh and the PSDK are greatly concerned by the increasingly dangerous precipitation of events in Kosovo, where the weapons of the Serbian occupiers kill, wound, and terrorize our Albanian mothers, fathers, brothers, and sisters. They call on us to undertake united action and oppose the anti-Albanian genocide, the notorious ethnic cleansing, and the psychological terror, and prepare ourselves for the near future, which will be decisive for the fate of the Albanian people in Kosovo.

Both parties express their concern about the situation of the Albanian population living in its historically known territories in the former Yugoslav Republic of Macedonia. They are of the opinion that the recognition of this Republic by the United Nations increasingly brings onto the agenda the recognition of the legal and constitutional status of the Albanian people living in these territories, who make up about 40 percent of the whole population. Both parties support the efforts of our brothers in the former Yugoslav Republic of Macedonia to win the minimum of what belongs to them—recognition as a state-forming element. They also support the efforts of all Albanian brothers in Montenegro and Southern Serbia to defend their national identity and win all their rights in conformity with the documents of the UN and other international institutions.

The PSDSh and the PSDK recognize and assess the Cam problem as a constituent part of the national question. They express their opinion that this is not a historic problem, but, above all, an actual and human one, which should and can be solved by discussion, conforming to well-known international acts and without prejudice or passion.

The PSDSh and the PSDK appeal to other Albanian political parties, in all Albanian territories, to act to coordinate actions and attitudes in defining a common strategy for the national question. We cannot wait, moments are precious, every delay is unforgivable.

Worried by the increasing aggravation of the situation in the former Yugoslavia and the danger of expansion of the conflict to other regions, the PSDSh and the PSDK call on European social democratic parties and members of the Socialist Internationale, to support the fair Albanian national question and influence their governments and international institutions to undertake more effective actions to extinguish the focus of fire that Serbian chauvinism has sparked and which threatens to engulf the whole of the Balkans within its flames.

Both parties express their optimism that by maintaining determined and clever attitudes and actions in accordance with international acts, the Albanian national question will find its natural solution that expresses the long-century aspirations of the Albanian people.

Deputies Discuss 'Social Insurances' Bill

AU0805175493 Tirana ATA in English 0823 GMT 7 May 93

[Text] Tirana, May 7 (ATA)—The People's Assembly examined article by article the draft law on social insurances. 27 articles were endorsed during yesterday's sitting. They have to do with the general provisions on the organization of the insurance system in Albania under the market economy, the persons profiting from these insurances, the deposited contribution, funds for diseases, etc. According to the Article 9 of this draft law, the contributions for social insurances in the insurance funds for diseases, pregnancy delivery and pensions will be 25 percent of the wage for the employer and 10 percent of the wage for the employee.

The deputies launched a heated discussion on the Article 26 regarding the pregnancy delivery leave. This project plans 170 days for the pregnancy delivery leave. Different deputies proposed to prolong it to one year. Many other deputies backed up this proposal. As no solution was attained in the morning sitting, the deputies demanded consultations with the minister of finances and economy regarding the capacity of the state budget to cope with it. Mr. Ruli said that some times ago we endorsed the state budget and its capacity is limited, despite the programs. He proposed that the prolongation of the pregnancy delivery leave be done step by step compared to the opportunities of the state. Upon the approval of deputies, it was decided to discuss it later.

At this the proceedings of this week ended. The People's Assembly will resume on May 10 afternoon.

Berov Opposes Lifting Bosnian Arms Embargo

AU0705201293 Sofia DUMA in Bulgarian 3 May 93 p 2

[Report by Pazardzhik correspondent]

[Text] We are against lifting the embargo on arms deliveries to Bosnia-Herzegovina because it will cause more bloodshed and only prolong the war, Prime Minister Berov told DUMA. We believe that at long last this conflict will be brought to an end. This does not mean that no differences will arise, but at least the armed struggle will be halted, he added.

Professor Berov said that for Bulgaria, like all the other countries that support the international community in its campaign to stop the conflict in Yugoslavia, the acceptance of UN Security Council Resolution 820 was simply an obligation. Although we are squeezed financially, we will stick to our position, the prime minister commented concerning the adoption of the international resolution.

Berov Comments on Unlicensed TV Transmitters

AU0805163893 Sofia BTA in English 1648 GMT 7 May 93

[Text] Sofia, May 7 (BTA)—Powerful stationary and mobile transmitters and relay facilities prohibited for import operate unlicensed in some populated centers in the regions of Burgas (eastern Bulgaria), Plovdiv (southern Bulgaria), Khaskovo (southeastern Bulgaria) and Ruse (northern Bulgaria) (all of them regions with a compact Turkish population) broadcasting on the frequency of the National Television in violation of the Communications Act, Prime Minister Lyuben Berov told parliament today.

Over the last weeks different papers have reported that television relay facilities were installed on Bulgarian territory and that they broadcast Turkish satellite programmes interfering with the signals of the National Television and radio. The press has published a statement by the mayor of Momchilgrad (southern Bulgaria), Sabahatin Ali, who said that the people in that area "need their mother tongue," that is why the town council decided to allocate funds for the installation of relay facilities broadcasting Turkish television programmes. So far the Bulgarian National Television has not started broadcasting programmes in the Turkish language.

Referring to information received from the Ministry of the Interior, Prime Minister Berov said that the relay facilities had been installed by request of the mayors of the municipalities in those regions raising funds from the population on a voluntary basis. In his opinion, the unlicensed import of the facilities and the interference with the signals of the national electronic media are a violation of the law. Prime Minister Berov stressed that the Bulgarian parliament must consider the telecommunications bill the soonest possible. The bill provides harsh penalty for offenders.

Aleksandrov Interviewed on Army Budget, Plans

AU0805165193 Sofia 168 CHASA in Bulgarian No 18, 4 May p 12

[Interview with Defense Minister Valentin Aleksandrov by Valentina Gosteva; place and date not given: "My Mission Is To Rescue the Army From Politicking"]

[Excerpts] [Gosteva] In your first interview after your appointment to the post of defense minister, you declared that in case you should remain in office until May 1993, the Army reform would definitely be completed. Is this so?

[Aleksandrov] To tell the truth, my objective has not been fully implemented. While the Defense Bill has been completed and is ready to be submitted to the relevant authorities, the code of regulations for officers' service, which is a basic factor in introducing the rotation system, has not yet been drafted. [passage omitted]

[Gosteva] What is your comment on the 1993 military budget?

[Aleksandrov] An amount of 9 billion leva is envisaged. We hope to get some more.

[Gosteva] How much would you need?

[Aleksandrov] This is a very delicate question. There is a special provision "in case of war." For the time being, I would like to focus everything on one sector, since we have managed to provide the resources for the others.

I am convinced that we have nothing to worry about regarding our borders with Greece and Turkey after the treaties we signed with them, and after numerous personal meetings with their leaders. No danger should be expected from those parts. Military units are stationed in permanent locations at their borders, but our country has nothing to fear from them.

As far as our western border, which represents some danger for us, is concerned, I am familiar with all documents, maps, and so forth; the situation was explained to my satisfaction. The resources granted for 1993 are reassuring, but if they should be cut down in the next financial year, I cannot guarantee that I will remain in my post.

[Gosteva] What is your view of the outcome of the conflict in the former Yugoslavia?

[Aleksandrov] There has never been a case in military history when an army has surrendered as a result of similar sanctions. [passage omitted]

According to the logical development of the military actions in the former Yugoslavia, there is no direct danger involving Bulgaria for the time being.

Apart from this, it is necessary to establish a permanent exchange of information, views, evaluations, and military-political analyses among the neighbor countries of the conflict area. There is even more—why should we not talk with Serbia?

[Gosteva] On 20 March the daily 24 CHASA published a report disclosing official data about plots to discredit you, along with General Stoyan Andreev, General Lyuben Petrov, and Brigo Asparukhov, the chief of the National Intelligence Service.

[Aleksandrov] I am familiar with the report. We have no official documents about a plot, although massive and serious attacks against Gen. Andreev have recently become more and more frequent. Gen. Asparukhov has also been attacked.

As far as I am concerned, I am a permanent target of slander. It is, however, interesting that the aforementioned militaries are criticized on political grounds, while I am the victim of personal attacks based on gossip.

[Gosteva] Are you talking about certain insinuations?

[Aleksandrov] I am afraid that someone is definitely pulling the strings in this respect.

[Gosteva] Does it have something to do with Gen. Lyutskanov's dismissal?

[Aleksandrov] Gen. Lyutskanov's case is more complicated, and I would not like to discuss it. I submitted a detailed report to the prime minister and reported to the Council of Ministers on the case. The supreme commander in chief [President Zhelev] is expected to decide on it. I must tell you that if the supreme commander disregards my proposal, someone shall have to pay for it. This is what politics are all about. As far as I am concerned, the Lyutskanov case is settled.

[Gosteva] A petition against your decision was signed by 154 officers. Are they not subject to sanctions on the basis of the Army statute?

[Aleksandrov] Look, this is a mutiny according to statute. Such acts of collecting signatures are banned from the Army.

[Gosteva] Do you envisage sanctions?

[Aleksandrov] By all means.

[Gosteva] What kind of sanctions?

[Aleksandrov] First of all, I intend to hold an investigation. It is evident that an officer who is forced to sign by his superior is in a different position— unlike the organizers, or the so-called organizational committee. I would not like to use the term military plot, but the Army statute is absolutely categorical in this respect, and it must be applied.

You know what the Ground Forces Command actually represents? The organ was established at the instruction of the Soviet General Staff. It had a strictly defined task—to organize combat actions against Greece and Turkey in case of war. In such a case the activities of the Bulgarian General Staff would have been automatically curtailed and forced to perform minor tasks under the subordination of the Odessa Military Okrug. It is unnecessary to explain that such things are out of question under today's military doctrine. No one intends to eliminate the Ground Forces Command, but I shall never permit it to prevail over the General Staff in terms of personnel and military authority. Moreover, Ground Forces Commander General Lyutskanov has personal ambitions which made him overreach himself. He also committed a gross act of insubordination by appealing to parliament without asking for my permission. [passage omitted]

Victory Day Anniversary Events Reported

AU0905173893 Sofia BTA in English 1650 GMT 9 May 93

[Text] Sofia, May 9 (BTA)—The 48th anniversary of the victory over nazism was marked here today by a procession from the Ivan Vazov National Theatre to the Monument to the Unknown Soldier, the Soviet Army Monument and the Common Grave. The participants in the procession carried a slogan reading "Glory to May 9, Victory Day," and national flags. They chanted "Never More Fascism" and "Glory to the Soviet Army."

Two improvised rallies were held successively at the Soviet Army Monument, which is surrounded by crowd-control barriers and guarded by police. One rally was addressed by Rumen Vodenicharov, a former MP who now campaigns against the dismantling of the monument. Veteran antifascists spoke at the other rally. The speakers recalled the decisive role of the Soviet Army for the defeat of fascism and stressed that there are no obstacles to building monuments to the soldiers of the other countries in the anti-Hitler coalition.

"Even if the Soviet Army Memorial is blown up or moved, it is impossible to eliminate the pedestal in the souls of Bulgarians where Russia, the Russian culture and the Russian people stand," said Mr. Vodenicharov. In his view, this year's commemoration of May 9 was overshadowed by the reluctance of Presidents Zhelev and Yeltsin to pay tribute at the antifascists' monuments. "Eternal glory to the sons of Bulgaria who fell in the struggle against fascism in the ranks of the Ukrainian 3rd Front. Let us pay homage to the heroism and self-sacrifice of all antifascists who died to save Europe from the brown plague," said Mr. Vodenicharov, winding up his speech.

While the crowd chanted "Eternal Glory" and "BSP," [Bulgarian Socialist Party] the leader of the Bulgarian Socialist (ex- Communist) Party Zhan Videnov and other socialist MP's laid flowers at the Soviet Army Monument. "We pay this floral tribute on behalf of you all, and we hope that next year we'll have unobstructed access to the monument," said Mrs. Klara Marinova MP of the BSP. The Greater Sofia Council banned the rally at the monument, and the MP's alone were admitted across the police line.

The Russian Ambassador in Sofia Mr. Aleksandr Avdeyev also laid flowers at the Soviet Army Monument and the Monument to the Unknown Soldier.

The procession reached the Common Grave in the Boris Park, where red flags with hammer and sickle and the BSP emblem were unfurled. At this point, however, the procession was no longer booed by agitators who had been catcalling and chanting "Traitors," "Apostates," and "Red Scum" in the St. Aleksandur Nevski Square and at the Soviet Army Monument.

President Zhelev Gives Speech

AU0905181493 Sofia BTA in English 1747 GMT 9 May 93

[Text] Sofia, May 9 (BTA)—"On May 9 we mark the day of the victory over fascism, the anniversary of the end of World War II and the beginning of a new era in the development of democracy in Europe and worldwide. This day, however, did not bring everybody democracy and freedom. The peoples of the former Soviet Union and those of Eastern Europe were destined to live through the other version of totalitarian dictatorship, the communist one, for almost half a century after that," said President Zhelyu Zhelev at a meeting today with the members of the International Committee for Celebration of the 50th Anniversary of the Deliverance of Bulgarian Jews and for Commemoration of Holocaust Victims from Western Thrace and Macedonia.

The president described the tragedy of millions of Jews in Europe as one of the most appalling memories of World War II.

"Bulgaria takes pride in the courage of its people who managed to protect from extermination more than 49,000 of their Jewish compatriots," Dr. Zhelev said. This deed of the Bulgarian people acquires an added importance, bearing in mind that the then rulers had allied Bulgaria to the Axis back in March 1941, the Bulgarian head of state observed.

"Today we sadly commemorate the innocent victims from western Thrace and Macedonia, who died in the Nazi camps. Against the background of the nation's grief, the attempts to forget the bravery and dignity showed by the Bulgaria public and the Bulgarian people strike a jarring note. These attempts are motivated by ideologized and prejudiced interpretations of historical events and facts," Dr. Zhelev said.

Winding up his remarks, he pointed out that present-day Bulgaria is restoring its democratic traditions and values, but xenophobia and antisemitism, extreme nationalism and religious bigotry remain alien to it.

Karabashev Views Budget Bill Debate

AU1005105593 Sofia OTECHESTVEN VESTNIK in Bulgarian 4 May 93 pp 1, 4

[Interview with Deputy Prime Minister Valentin Karabashev, by Simeon Danevski; date and place not given: "Regardless of How Good The Budget Is, There Will Always Be Dissatisfied People"]

[Text] [Danevski] Did you expect more serious clashes in the National Assembly hall when the debate on the draft Budget Bill began?

[Karabashev] As a matter of fact I expected not only a greater tension, but something more—cruel disputes. To everyone's surprise, this did not materialize and I think that this was good. Much better results can be achieved in a calm and reasonable discussion, because, let us be frank, regardless of how good and well-balanced a budget is, there will always be dissatisfied people. Therefore, it is impossible to think that we could create a budget that would be viewed as a good one by all.

[Danevski] Nevertheless, are you not bothered by the fact that the budget deficit remains very high?

[Karabashev] There was no other choice, unless we wanted to pay a higher social price for the economic reform. This price already is very high and we do not have to increase it. We really would not like to make this price impossible for a large part of the population.

[Danevski] Mr. Karabashev, it has been said that inflation will surpass 100 percent.

[Karabashev] People do say many things. The inflation pointed out in the budget—60 percent—is indeed a framework figure. Who can say now how things will develop in two to three months? However, I believe categorically that inflation will not surpass that of 1992. The forecast that it will surpass 100 percent is simply ridiculous. We will not allow this.

[Danevski] What will happen if the situation in our western neighbor does not change and it should be necessary to continue the sanctions without any compensation?

[Karabashev] For the time being, it is difficult to forecast how events will develop there. We shall insist on receiving compensation, and will do this more urgently than in the past. Despite all this, I think that, in the worst case, we will succeed in preserving the limits of the past year's inflation, namely, 80 percent. Nevertheless, production will increase this year, or at least its decrease will be strongly curbed.

[Danevski] Regardless of how modest the budget is, it is a peace-time budget. What will happen if a different situation develops?

[Karabashev] For the time being, our national security budget could cope with the situation. Naturally, if the situation in the Balkans changes our budget will also change.

Cabinet Examines Berov Plan for Privatization

AU0805193093 Sofia BTA in English 1748 GMT 8 May 93

[Text] Sofia, May 8 (BTA)—At an extraordinary meeting today, the Council of Ministers discussed a schematic framework for privatization through registered deferred-payment privatization bills. The scheme was proposed by Prime Minister Lyuben Berov.

According to the project, 1,200 enterprises will be put up for privatization in this way. Within two months they will have to issue 1,000 leva (40 U.S. dollar) shares, 20 percent of which will be set aside for the enterprise staff and the rest will be auctioned off, with payment charged in privatization bills. Privatization bills will be available to Bulgarian citizens residing in Bulgaria according to a procedure established in the project. The prime minister's report says that 1,000 leva shares are expected to go to some 880,000 people, about 1,350,000 people will receive 5,000 leva shares, and 3,500,000 people or so will qualify for 10,000 leva shares. Prof. Berov suggests that the deferred-payment bills be paid at par or that their payment be forgiven ten years after the date of issue on terms established by special statute. On receipt, holders will pay 5 percent of the value of the bills to the public purse as advance payment of 0.5 percent annual interest for the ten-year maturity period. Under the project, compensations to the victims of repressions, indemnity for environmentally degraded land, expropriated estates etc. to a total amount of 4,500 million leva will be paid in privatization bills, in this case, no interest will have to be prepaid. The prime minister told the press that the first privatization auction of this type is supposed to be held by September 4. This privatization option will bring the exchequer some 2,000 million leva, Prof. Berov told reporters.

At the discussion today, Deputy Prime Minister Valentin Karabashev and Privatization Agency executive director Aleksandur Bozhkov expressed reservations about the project, Prof. Berov said. The Government Press Office said that the cabinet members were divided over whether this should be a mass-scale form of privatization or only one of its techniques. According to Mr. Bozhkov, the mass-scale application of this scheme will exclude foreign capital from privatization. For his part, the prime minister told the press that this will not make much difference as foreign investors are not expected to take sizable part anyway.

At the meeting, the government gave the Commission on the Management of State Holdings in Enterprises until June 10 to submit to the Council of Ministers draft statutory instruments on the acceleration of privatization. The scheme proposed by Prof. Berov will be included in these drafts. The Government Press Office said that as from today, the commission will be chaired by Deputy Prime Minister Valentin Karabashev.

UN Security Council Informed of Embargo Losses

AU0705101193 Sofia BTA in English 2046 GMT 6 May 93

[Text] Sofia, May 6 (BTA)—The Bulgarian Council of Ministers met late this evening to enact a decree on specific measures to enforce UN Security Council Resolution 820. The cabinet sent the UN Security Council a memorandum on the losses Bulgaria will suffer due to sanctions against Serbia and Montenegro.

The memorandum says Bulgaria suffered losses to the amount of 1,800 million dollars between July 1992 and April 1993 due to the enforcement of sanctions against Serbia and Montenegro. According to projections, sanction enforcement will cost this country 1,877 million dollars by the end of 1993, excluding indirect losses and private sector losses. The document says the losses are due to impaired traditional transport communications, Bulgaria's isolation from European markets and higher transport costs. As a result, inflation will rise and the country's financial problems will be aggravated, the document also says.

The Bulgarian Government insists that criteria be established for specific economic problems resulting from the embargo. It calls on the UN Security Council to send missions to make an independent expert assessment of Bulgaria's economic losses. The memorandum says specific forms of compensation for losses should be sought.

The cabinet went on to discuss other items on the agenda.

Tax Official Claims Losses From 'Loopholes'

AU0805182693 Sofia BTA in English 1614 GMT 8 May 93

[Text] Sofia, May 8 (BTA)—National budget revenue escapes through loopholes in Bulgarian tax legislation, says Mr. Krasimir Angarski, chief of the Sofia Tax Administration, in an interview for DEMOKRATSIYA. In his view, the state is losing millions of leva from preferential tax treatment and the impossibility to collect taxes and rates.

Under the law, it is legal to amass enormous capital, which gives foundations and students cooperatives an opportunity to avoid taxation, says Mr. Angarski. In his view, the idea to enable those organizations to carry on business so as to provide for themselves has been vitiated from the very outset. The students cooperatives and the foundations have established themselves as the largest imports of excisable goods: alcohol and cigarettes. Under the law, they can avoid customs duties and taxes amounting to millions of leva which, converted into hard currency, are taken out of Bulgaria and invested in profitable business, he claims.

The state of tax legislation is evidence of the lack of a consistent policy. Bulgaria has lost and keeps losing many millions from the closure of the Ministry of Foreign Economic Relations and its trade representations, he says. In this way, the state gave up voluntarily enormous regulated revenues, abandoning Bulgaria's foreign trade into the hands of private businessmen.

Mr. Angarski says Bulgarian tax inspectors have no right to check accounting records and bank accounts. Underpaid, they will seek other jobs, thwarting all hopes that budget revenue will be collected.

BZNS Granted Right To Use Party Name

AU0705201593 Sofia KONTINENT in Bulgarian 5 May 93 p 2

[Misho Dimitrov report]

[Text] A panel of Supreme Court judges chaired by Dimitur Gochev put an end today to the dispute about the name of the BZNS [Bulgarian National Agrarian Union] by ruling that the organization led by Anastasiya Mozer was entitled to use it. The decision was reached on the basis of the decisions adopted by the BZNS congress of 7 and 8 November 1992 and after canceling the registration granted a short while ago to the group of Agrarians who had split off from Mozer's party.

It remains to be seen whether the BZNS—now that it has finally been registered—will take over the assets and, most of all, the liabilities of the Agrarian Union that Petur Tanchev led until 10 November 1989. It is well known that in the decisions adopted at last year's congress members of the former Nikola Petkov BZNS wanted the registration to be made in such a way as to protect the restored BZNS from having to take over the debts of the former official BZNS.

Stefan Lichev, member of the BZNS Permanent Board, described the occasion as a great political and moral victory. According to him, the BZNS of Aleksandur Stamboliyski and Nikola Petkov is now finally restored after 47 long years.

European Changes Affect Agricultural Exports

AU0805165293 Sofia BTA in English 1106 GMT 7 May 93

[Text] Sofia, May 7 (BTA)—The political changes in Central and Eastern Europe over the past three years increased the number of Bulgaria's foreign trade partners in this region from seven to fifteen. This rise in the number of markets was reflected in the geographical structure of Bulgarian agricultural exports. There is a tendency towards a shrinking of the shares of some of Bulgaria's major foreign trade partners until two or three years ago and an activation of Bulgarian sales in the newly established republics, today's issue of the BULGARSKI BIZNES weekly reads.

The Commonwealth of Independent States (CIS) accounts for 62 percent of Bulgaria's agricultural exports, the Federal Republic of Yugoslavia, Macedonia, Romania, Ukraine, Poland and Albania account for between 2 and 9 percent each, and the remaining states of Central and Eastern Europe for below two percent each. The third group includes the former Czechoslovakia and Hungary. Macedonia and Ukraine stand out among the new states in which Bulgarian agricultural exports have increased and account for 8 and 3.2 percent of Bulgaria's agricultural exports respectively.

The analysis of the commodity structure of Bulgaria's agricultural export to Central and Eastern Europe shows that tobacco is a strategic Bulgarian commodity. Its sales make up 47 percent of the foreign exchange revenues of Bulgarian agricultural exports. 85 percent of the tobacco exported by Bulgaria goes to the markets of the CIS.

Soft and alcoholic drinks (mainly wine) come second with 10.2 percent. The greater part of these are also sold on the markets of the CIS, as well as in Poland (12 percent) and in Ukraine (6.1 percent).

Grain ranks third in the commodity structure of Bulgaria's agricultural exports with 7.3 percent. 48 percent of the grain exported by Bulgaria is sold in Central and Eastern Europe and over 20 percent in the countries of the European Community.

Canned fruit and vegetables come fourth in Bulgaria's agricultural export with 6.1 percent. They reach almost all markets of Central and Eastern Europe—the CIS (60 percent), the Federal Republic of Yugoslavia (8 percent), Ukraine (6.1 percent), Croatia (3.2 percent) and Belarus (1.8 percent).

Milk, dairy products and eggs come fifth with 5 percent. They are exported mainly to the Federal Republic of Yugoslavia, Macedonia and Albania. Live animals and different kinds of meat have an almost symbolic share in Bulgaria's export list—4.2 percent and 3.8 percent respectively. They are bought mainly by the Balkan states.

In 1992 the foreign exchange revenues of agricultural exports went up by 30 percent from the previous year and their relative share in the overall export of this country went up by 11 points, reaching 25.9 percent.

Negotiations on Property Division Held in Prague

LD0705210293 Prague CTK in English 2041 GMT 7 May 93

[Text] Prague, May 7 (CTK)—Czech and Slovak delegations convened in Prague tonight to hold another round of negotiations on the division of former federal property.

Slovak Finance Minister Julius Toth told journalists during a break in the session that the Slovak side had recognised 6.6 billion crowns (228 million USD) of the 24.7 billion crown (850 million USD) Czech claim against Bratislava, ensuing from the division of the former Czechoslovak National Bank.

Czech Finance Minister Ivan Kocarnik said the remaining 18.1 billion crowns were not being questioned, but the claim would be reexamined.

We have agreed that the commission which is to conduct this examination will be named by the Slovak side on Monday—the Czech side has already named its own, Toth said. The commission should decide on what is to be examined by the end of next week, he added.

Three Partial Agreements Prepared for Signing

LD0805161693 Prague CTK in English 1017 GMT 8 May 93

[Text] Prague May 8 (CTK)—Three partial agreements on dividing the property of the former Czechoslovak Federation between the Czech and Slovak Republics were prepared for signing at a session of the two republics' joint commission here Friday [7 May].

The agreements cover the division of assets and liabilities of the former federation, transfer of guarantees and financial assistance from the federation to the two republics, and financing and the future of selected gas production and transport integration projects.

Czech Finance Minister Ivan Kocarnik told journalists in the small hours today that the Property Commission had agreed to set up two commissions of experts.

One of them is to review the deficit of last year's federal budget including the Czech claim concerning the December turnover tax. The other one is to reexamine the remaining part of the Czech claim against Bratislava, 18.1 billion crowns (600 million USD), ensuing from the division of the former Czechoslovak State Bank (the Slovak side recognised 6.6 billion crowns, 228 million USD, of the total Czech claim at the talks on Friday-ed).

We also agreed that what had been blocked by the Czech side of the property of the former federal central bodies would be freed so that it may be physically transferred, Kocarnik said.

The basic agreement, envisaged by the law on dividing the federation's property, is yet to be discussed, Kocarnik said, adding that the Czech side is yet waiting for a more precise stand of legal experts.

Asked whether the Slovaks were willing to sign the basic agreement if it did not contain claims like those concerning compensation for the federal flag, Slovak Finance Minister Julius Toth said that the basic agreement must be signed independently of all others.

If we do not sign this agreement, no legal framework would be created for all we have done so far, Toth said.

On passing over to Czech and Slovak coupon holders the shares they gained in last year's first wave of coupon privatisation, Kocarnik said that he would recommend the Czech Government to reconsider its stand (on suspending the issuing of the shares-ed).

To the question of Slovakia's claim against the Czech Republic totalling 17.7 billion USD, as mentioned by Slovak Premier Vladimir Meciar in Vienna last week, Toth said that a smaller sum was discussed by the Property Commission Friday, but did not elaborate.

Kocarnik characterised both the sum and content of this claim absurd.

Slovaks 'Confirmed' SBCS Balance Sheet

LD0905155993 Prague CTK in English 1526 GMT 9 May 93

[Text] Prague, May 9 (CTK)—In Friday's talks of the Czech-Slovak Property Commission the Slovaks confirmed for the first time the balance sheet of the former Czechoslovak State Bank (SBCS) which shows the Slovak National Bank's debt exceeding 24 billion crowns (300 million USD).

This was stated by Jan Vit, vice governor of the Czech National Bank (CNB), on Czech television today.

Speaking in a regular Sunday debate, Vit said that a group of experts would now review further items of the former SBCS and try to confirm them so that the overall sum is not questioned in talks on dividing the property of the former Czechoslovak Federation.

Vit said the Slovaks did not any longer question individual items in the balance sheet but the operations that led to them.

On Friday, Slovak Finance Minister Julius Toth told journalists during a break in the property commission's session that the Slovak side had recognised 6.6 billion crowns (228 million USD) of the 24.7 billion crown (850 million USD) Czech claim against Bratislava, ensuing from the division of the former SBCS. Czech Finance Minister Ivan Kocarnik said the remaining 18.1 billion crowns were not being questioned, but the claim would be reexamined.

Havel, Kovac Postpone Summit on Property Issues

LD0905142893 Prague CTK in English 1322 GMT 9 May 93

[Text] Prague, May 9 (CTK)—Czech and Slovak presidents Vaclav Havel and Michal Kovac agreed on Saturday to postpone a Czech-Slovak summit which was to help solve open questions concerning division of the former federal property, Havel's spokesman Ladislav Spacek announced today.

He told CTK that the two presidents in their telephone call agreed that with regard to the constructive course of the talks of the (Czech-Slovak) property commission a Czech-Slovak summit is not necessary at this moment and is being postponed for a later time when it will be devoted to a wider range of political questions concerning Czech-Slovak relations.

The calling of a meeting of the Czech and Slovak presidents and other top-level officials was proposed to Havel by Kovac a week ago, at the request of Slovak Premier Vladimir Meciar. Preparations for such a meeting were called premature by Czech Premier Vaclav Klaus. He said Thursday he would discuss the issue with Havel on Saturday, following Friday's talks of the Czech-Slovak property commission.

Havel Rejects 'Misunderstandings'

LD0905160593 Prague CTK in English 1541 GMT 9 May 93

[Text] Prague, May 9 (CTK)—Czech President Vaclav Havel rejected today reports on alleged misunderstandings in connection with a planned Czech-Slovak summit on property division, on whose postponement he agreed with Slovak President Michal Kovac in their telephone call on Saturday [8 May].

Speaking in a regular Sunday programme on Czech Radio, Havel justified the meeting's postponement to a later time by the good progress of Friday's talks (of the Czech-Slovak Property Commission). He said he had consulted the issue with Czech Premier Vaclav Klaus and they had agreed the meeting would be premature now when talks of the Property Commission were prepared.

He characterised Kovac's role in the process of property division as very positive, noting that the Slovak president is well aware of the need for the two republics' good coexistence.

Kocarnik: Property Division Not Dominant Problem

LD0905155493 Prague CTK in English 1452 GMT 9 May 93

[Text] Prague, May 9 (CTK)—Dividing former federal property is not the dominant problem currently dealt with by the Czech Government, Czech Finance Minister Ivan Kocarnik said on Czech television today.

Speaking in a regular Sunday debate, Kocarnik said Friday's talks of the Czech-Slovak property commission showed a certain positive shift on the Slovak side in the question of dividing the assets and liabilities of the former Czechoslovak Federation. He said that in previous talks the Slovak part of the commission had been casting doubt on documents concerning this issue but after having studied the accounts they had agreed on Friday to sign the relevant agreement.

The agreement on dividing the assets and liabilities of the former federation was one of the three documents on which consent was reached on Friday and which are now ready for signing.

Kocarnik said that since October 1992, when the commission started its work, at least 75 per cent of problems concerning division of former federal property between the Czech and Slovak republics have been solved.

Baudys Calls For Increased Army Presence in FRY

AU1005135293 Prague RUDE PRAVO in Czech 7 May 93 p 1

[Marie Koenigova report: "The Government Has Refused To Reinforce Our Contingent in Bosnia"]

[Text] Prague—Defense Minister Antonin Baudys (Christian Democratic Union-Czechoslovak People's Party) recommended that the government increase the size of our forces in the former Yugoslavia to 960 men. In the end, he was pleased that it has—at least—been increased to the current level of 500 men. He made this statement on Thursday [6 May] to deputies in the parliamentary Foreign Affairs Committee.

According to him, we are still not ready to take part in combat activities, but we can participate in providing support. Baudys refused to comment on the government's refusal to increase the forces to a full battalion, he merely said: "If we are able to send 1,000 troops and the United Nations pays for it, then we will have an excellent opportunity to conduct exercises there for free. We would be fools to give up this opportunity."

The minister would welcome parliamentary support for reinforcing the forces. Deputy Jezek (Civic Democratic Party [ODS]) said that "it is irresponsible of the government, since we have already sent troops there, not to increase their number to 960." Deputies Vychodil [ODS] and Lojdova [Civic Democratic Alliance] also voiced support for the need to increase the forces. In the debate on this issue, in which no opposition deputy took part, the coalition deputies rejected the results of a public opinion poll on our troops' involvement in Yugoslavia, since the public—in their opinion—does not know anything about it. According to the deputies, the media is also contributing to this negative attitude by not publicizing the Czech troops' involvement in UNPROFOR. In this connection, Baudys said that medals are being prepared for these troops, because it is unacceptable that they are appreciated only by other states, and not by the Czech Republic.

Baudys aired his views on the issue of reducing the size of the Army: "Reducing the number of personnel is a world trend that is inappropriate. It is a result of the euphoria from the collapse of the bipolar world and is a manifestation of inertia."

Klaus Leaves for Official Visit to Spain

LD0905141893 Prague CTK in English 1245 GMT 9 May 93

[Text] Prague, May 9 (CTK)—Czech Premier Vaclav Klaus left today for a three-day official visit to Spain.

On his departure, Klaus told CTK that this is our first contact with Spain and Spain's contact with us as the Czech Republic.

Klaus will meet with Spanish King Juan Carlos I, Premier Felipe Gonzalez, and Minister of Economy, Finance, and Commerce Carlos Solchaga in Madrid on Monday. Later in the day he will leave Madrid for Barcelona to meet with Jordi Pujol, president of the Catalonian autonomous government.

On Tuesday, Klaus will address a European conference Europe in the Year 1992, organised by the British economic weekly THE ECONOMIST.

Klaus is accompanied by his wife Livia.

Havel Interviewed at Victory Day Reception

LD0705204893 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 7 May 93

[Interview with President Vaclav Havel by unidentified reporter; Havel speaks in Czech with superimposed Russian translation; from the "Novosti" newscast—recorded]

[Text] [Announcer] The date 9 May is a double holiday for the Czech Republic—Victory Day and Liberation Day. A formal reception at the Russian Embassy was attended by President Vaclav Havel, Prime Minister Vaclav Claus and members of his Cabinet, members of Parliament, and leaders of the country's political parties. In an interview with the Ostankino TV company, President Vaclav Havel said:

[Begin Havel recording] The ninth of May is indeed a very important date. It marks the end of the World War II in Europe, the end of the most horrible war in the history of mankind. Of course, on this day we remember those who liberated us. It is well known that our country was liberated, for the most part, by the Soviet Army, while a western section of our country was freed by the Americans. I would like to take this opportunity to congratulate the citizens of the Russian Federation on the eve of 9 May on this holiday and express our gratitude to the living veteran soldiers who took part in the liberation and to all your people.

I would also like to say that our sympathies are with the democratic reforms in Russia and with President Yeltsin who is currently a guarantor of the democratic transformations currently under way. We have recently adopted a new, democratic constitution in the Czech Republic. We know only too well how difficult it is to live with an old, communist constitution, adopting endless amendments to it. Naturally, we understand and support President Yeltsin's efforts aimed at adopting a new Russian constitution. [end recording]

Property Transfers From Former Soviet Bases Halted

AU0805162093 Prague CTK in English 2046 GMT 5 May 93

[Text] Prague, May 5 (CTK)—The Czech Government is somewhat disturbed by reported pre-purchase agreements for property from Ralsko and Mlada, former Soviet military bases in North Bohemia, and has, therefore, decided to halt the transfer of all property, said Czech Premier Vaclav Klaus at a press conference today.

He said that the government had globally endorsed a project, submitted by the Waldstein firm, for the complex utilisation of Ralsko. The government decided that any property changes will be made under the standard privatisation process.

The government, however, has not chosen any project for the utilisation of the Mlada base, Klaus said, adding that the Ministry of Economics will hold discussions with the two interested parties, the U.S. firms Bechtel and the Orchard Group on the one hand and the Italian firm Spea Iritecna Gruppo IRI on the other.

Livestock Imports From Former Soviet Union Banned

AU1005111493 Prague CTK in English 2012 GMT 6 May 93

[Text] Prague, May 6 (CTK)—The State Veterinary Board (SVS) of the Czech Republic has banned the import and transit of live animals at risk of getting foot and mouth disease and swine vesicular disease as well as foodstuffs and agricultural substances which might bring infections from countries where these diseases occur.

The ban also concerns the transit of livestock from the republics of the former Soviet Union.

The document was signed by Czech Agriculture Minister Josef Lux and SVS director Antonin Kozak.

The board adopted this measure after the assessment of the situation in Europe in connection with the occurrence of foot and mouth disease in Italy, swine vesicular disease in Italy, the Netherlands, Belgium, and Spain.

The board also took into consideration the measure undertaken by the European Community's Permanent Veterinary Commission.

The board has also imposed strict veterinary controls of animals and meat and diary products imported to the Czech Republic or being transferred to other states via the Czech Republic.

Liechtenstein's Ruling House Reduces Claim

AU0705183593 Prague CTK in English 0833 GMT 5 May 93

[Text] Vaduz, May 5 (CTK correspondent)—The claim of Liechtenstein's ruling house is worth more than one billion dollars, but the house would be ready to discuss 300 million Swiss francs, Prince Hans Adam II told Czech journalists in Vaduz on Tuesday [4 May].

Of the 300 million francs, 80 percent would go to the ruling family, the rest to other aristocratic families in the country, Hans Adam II added.

After its establishment in 1918, Czechoslovakia confiscated Liechtenstein estates spread on an area of about 1,600 square kilometres. In 1938 it agreed with the return of part of the land and with financial compensation, but this was made impossible by Czechoslovakia's Nazi occupation, Hans Adam II claimed.

He said that after World War Two the property settlement was impaired by the Benes decrees, issued by the then Czechoslovak President Edvard Benes, as members of the Liechtenstein ruling house were regarded as Germans, not Liechtensteins.

Hans Adam II said that Prague had been refusing to admit that it acted unlawfully after the war, and the government of the successor states to the former Czechoslovakia—the Czech Republic and Slovakia—are also hesitant to recognise Liechtenstein's claims.

The Czech Republic has not yet displayed willingness to recognise Liechtenstein as a subject to international law and to maintain diplomatic relations with it, Hans Adam II said.

He believes that relations between the two states should be based on international law. In case they do not reach agreement on compensation for the Liechtenstein ruling house, the dispute should be lodged with The Hague-based International Court of Justice. Liechtenstein would respect any ruling made by it, Hans Adam II said.

He ruled out physical restitution of the property. But if Prague paid Liechtenstein a certain amount, he would invest part of it in the Czech Republic.

Government Approves Family Allowance Increase

AU0705184093 Prague CTK in English 1727 GMT 5 May 93

[Text] Prague, May 5 (CTK)—The Czech Government has approved an increase in child-care allowances, from 1,200 to 1,360 crowns, for parents with children between six months and three years of age, Czech Premier Vaclav Klaus said at a press conference following a government session today.

Childbirth grants have also been increased, from 3,000 to 4,000 crowns. Both increases went into effect May 1.

Klaus said that these increases will cost the government 440 million crowns in 1993. According to him, this proves that his government does not create only asocial policies, as some media have claimed.

Number of Prisoners in Penitentiaries Doubles

AU1005112393 Prague CTK in English 1619 GMT 6 May 93

[Text] Prague May 6 (CTK)—The number of inmates in Czech prisons has doubled in the past two years and topped 15,000 last month, the general warden of the Czech Prison System, Zdenek Karabec, told a press conference today.

The Czech Prison System had 6,999 pre-trial detainees and 8,306 prisoners serving sentences on April 29, when the survey was completed, Karabec said. Women make up three percent of those figures, while young offenders make up nine percent of pre-trial detainees and 2.5 percent of those serving time.

Karabec said building giant jail complexes, as had once been planned, was not the way for the future of the Czech criminal system, noting that jails for about 500 prisoners were optimal.

The Czech Prison System wants to open itself to the participation of foreign capital, as the French system has done, especially in construction investment, Karabec told journalists. Karabec said jails did not need to be completely privatized, as in Britain, but individual services could be parcelled out to private firms, he stressed.

Meciar Discusses Property Division, Debt Resolution

LD0705193393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 7 May 93

[Regular Friday interview with Prime Minister Vladimir Meciar by Ludmila Bulakova; place and date not given—recorded]

[Excerpts] [Bulakova] The commission for the division of the property of the former federation is meeting in Prague today. When speaking about the agenda for the meeting Czech Prime Minister Vaclav Klaus said there were no priority items and that no nonstandard issues should be discussed—that means no talks about the flag, federal know-how, or villages in the Tesin [North Moravian-Slovak-Polish border] region. The recording of this interview has also been delayed because of your meeting with members of the Slovak delegation. So, what was the resolve with which the Slovak delegation left for the talks in Prague?

[Meciar] I spoke with [Czech] Prime Minister Klaus on the telephone this morning to check the news I received throughout the night that the Czech Government had adopted a decision to suspend the shares of Slovak privatization coupon holders. Prime Minister Klaus denied this information. He said it was not true.

The delegation coming to the property talks will be equipped with various powers to resolve various issues, among which will be the following: how to retrieve debts from abroad. I have given the draft to Mr. Klaus in Brno and hope he will comment on it. Next, how liabilities between Czechs and Slovaks are to be calculated—or the sum of 24.7 billion korunas where it seems to us there are substantial errors both in the figure itself and in the way in which it had been calculated.

The third category of problems the delegation has in their briefcases is the so-called nonrepayable, noncalculable claims made by the Slovak side, which also represent several billion.

Fourth, the Slovak delegation will of course propose that matters related to the division of the federation and the so-called facts of history which came to pass on our territory be included on the agenda. We assume the Czech side will be opposed to this even if we do not mention figures. The matters, however, simply musst be discussed now. [passage omitted]

[Bulakova] I would like to return to the Brno meeting [on 30 April]. You laid down new demands on the behalf of the Slovak side there. While in the case of the division of the liabilities of the Dolinskaya investment project in Ukraine, Czech Prime Minister Vaclav Klaus did say that a discussion might be possible. He marked the issue of the division of the claims of the former Slovak State as absurd. Could you explain why the Slovak side has not submitted these claims earlier?

[Meciar] We have to return to them from the point of view of the new reality which has emerged. When the Czechoslovak-German Treaty—in which these liabilities were mutually annulled on both sides—was being signed the opposing stand of the Slovak prime minister at that time, Carnogursky, and of former Chairman of the Slovak National Council Miklosko was voiced but was not specified. President Havel visited Bonn recently. After his meeting with Mr. Kohl he made a certain statement at a news conference and admitted that these matters will be, historically speaking, reopened. The situation at the time of the calculation of liabilities was such that the Slovak side manifested an active balance of 8 billion francs. That was due to unpaid commodities delivered...

[Bulakova, interrupting] Francs or marks?

[Meciar] Francs, Swiss francs—and due to unpaid loans. We are not even speaking of compensation for war damages—those have not yet been included in the amount. So, if these liabilities were to be annulled—and because the Czech side, according to us, had a passive balance and the Slovak assets were actually covering this Czech deficit—and the matter is to be reopened in Czech-German talks, then we will raise our Slovak claims. We must solve that problem with the Czech side. It is not possible to allow somebody else to dispose of our assets, albeit historical ones and albeit, let us say, not always politically evaluated ones in the past. So, even if they were not pleased with my stand, I have no other option except to return to what should be historically reopened, and that not on our initiative but on the Czech initiative.

[Bulakova] So we could say that the claims on the Slovak side are linked to the new situation in Czech-German relations?

[Meciar] The statement made by President Havel after his visit to Chancellor Kohl was the impulse which made us say: Well, in such a case, when it has not yet been annulled and it is possible to negotiate, we will claim what is due to us.

[Bulakova] The continuous opening of new issues during the property division process leads to fears that the solution of these issues will have to go on for many years to come and there will be no time or energy left for the solution of current economic problems. Would it not in the end be better to agree on a bottom line under all liabilities on both sides?

[Meciar] That is what I have been proposing in Brno. Because there has been no agreement in that sense, we will bring it up again today and demonstrate that a bottom line is possible, even in the event the so-called historical claims, which do exist here, should not be considered. If the Czech side evaluates the state of affairs realistically, then such a bottom line could be agreed upon today and the prime ministers could sign it.

[Bulakova] To be more specific, does it mean that we would also draw the bottom line under the shares of Slovak coupon holders in Czech companies?

[Meciar] In no event. The state cannot make decisions about private property. Even if our holders of investment coupons are not yet owners in the sense that they have not yet taken possession of the shares, they do have a claim to this property and the state cannot cast doubt on this claim, or take it over or devalue it in some other way. On the contrary, the state must extend the greatest protection to our coupon holders. That is why they are the citizens of this state.

[Bulakova] On the Czech side and now also on the Slovak side, we hear those evaluating the division of the property not as an economic but a political issue, also due to the fact that it does not seem very realistic for this bottom line to be drawn today under the division of the former federal assets. Would it not be better, for instance, to freeze all the liabilities, all the talks, with the understanding that the aching issues of the economy that we have in the Czech Republic as well as in Slovakia would be solved first and then talks resumed after a year or two?

[Meciar] That would be a mistake on our part. The freezing would mean that about 10 tonnes of gold would remain in the Czech Republic, gold that Slovakia needs. [passage omitted]

[Bulakova] As far as your answer is concerned, I would return once again to the drawing of the bottom line. You have just said that in the case of freezing, the Slovak side would lose more than the Czech—as far as gold and accounts payable abroad are concerned. However, for the bottom line, would the Slovak side give up its claims to gold and accounts payable abroad?

[Meciar] No, certainly not. We do not give up our claims to gold; we do not give up our claims to our cultural heritage, because it is not the case of the Czech side giving it to us. It is already ours. They are withdrawing it without having the right to do so. Please note this is the difference. We do not give up the agreements about railways—they are already ours. We do not give up the agreement about the division of the property of the Federal Ministry of the Interior—those things are already ours. This is the difference, because the Czech side is not expected to give us something; this is already our property to be released by somebody to us. These are our things which are being withdrawn from us.

Thus, this property of the Slovak Republic would need to be nationalized or confiscated, including the privatization coupons which are already the property of their holders. Please note this difference between what is to be released and what is to be conceded. [passage omitted]

[Bulakova] This week you drew attention to dangerous psychological aspects of the reports which state that issuing Czech enterprises' shares to Slovak coupon holders will impoverish Czech citizens. Moreover, Czech mass media point out the need to take into account the possibility of launching a Slovak-Czech trade war, something you have allegedly hinted at several times already. [passage omitted]

[Meciar] Let us look at the steps which have been taken so far. There have been several of them which do not reveal the realistic understanding of what is going on and the interest in good relations.

Halting the issue of shares to privatization coupon holders is a menace to citizens' property rights. It is something like the threat of nationalization. This is something no longer acceptable, especially after November 1989.

Another thing is steps concerning gold, the agreements which have already been signed and are not being complied with. The expected deadline for all this was 30 March.

Let us look at the issues of releasing the property of the Slovak Republic—these steps were halted; they are not being taken.

Let us look at the issues of oil and gas, where payments are being withdrawn. [passage omitted]

These actions do not prove friendship.

We are facing rather strong pressure to change the border procedures. This is something the Slovak side refuses. The Czech Republic has found support for this also abroad. We are defending the interests of the people living in border areas, be it on the Slovak side, the Moravian side, or the Silesian side. We do not want to build obstacles between them. This has never been our intention.

As such steps follow one after the other, on Friday I asked where the Czech Republic intends to stop. As steps are being taken which at the least prove a lack of respect for the other side, when a course of action is being applied which contradicts both international policy and international law, then what is the sense of all this? Where is the end of the measures they think they can use against a sovereign state? We are not a province.

Thus, my raised finger means: Stop. Do not push us to take a defense position. Do not provoke a revenge wish in Slovakia. We do not have such a wish and do not want to implement it. However, we can afford to lose face neither in front of our own citizens nor in front of other states.

Thus, this is in principle a warning to the other side for those who try to provoke misunderstandings to take a softer approach or to stop all this.

Moravcik Explains Minority Stance to Council of Europe

AU1005135893 Bratislava PRAVDA in Slovak 7 May 93 pp 1, 12

[Leopold Moravcik report: "We Know What It Is Like To Be a Minority"]

[Excerpt] [passage omitted] During his visit to the Council of Europe, Slovak Foreign Minister Jozef Moravcik held two important meetings. Certain contentious issues concerning the status of the ethnic minorities in Slovakia arose during his one-hour meeting with Council of Europe Secretary General Catherine Lalumiere. These included the use of Hungarian first names, the bilingual designation of streets and communities, and Slovakia's new administrative arrangement.

During the meeting with Council of Europe Parliamentary Assembly Secretary Heindrich Klebes, the education system and the possibility of using Hungarian in public life were discussed. In each case, Moravcik briefed the Council of Europe representatives on Slovakia's approach to resolving these issues.

The highlight of yesterday's visit was Moravcik's participation in a session of the Council of Ministers where he delivered a wide-ranging speech. He informed the Council's members of the historical and philosophical circumstances that have influenced Slovak views on dealing with ethnic minority issues. "Slovakia knows very well what it means to be an ethnic minority," said Moravcik referring to the specific historical circumstances of coexistence with the Hungarian nation. At the same time, he outlined how these issues will be resolved, issues that have aroused some uncertainty about Slovakia's admission into the Council of Europe.

During a news conference held at the end of his visit, the head of the Slovak diplomatic corps said that the Council of Europe representatives had accepted our explanation concerning opinions on the use of Hungarian first names and the names of communities and streets. The minister also had the impression that they understood our arguments concerning Slovakia's administrative arrangement. His explanation regarding the education system, which corresponds to the European standard, was also satisfactory.

In reply to a question from PRAVDA, Moravcik summed up his visit to Strasbourg as follows: "When I review the statements made by all the Council of Europe representatives I met here, I think that we have created favorable conditions for our request's consideration. It is also necessary for those Slovak deputies who will have an opportunity to influence the process by discussing our request in the Council of Europe Parliamentary Assembly to continue in this spirit." A delegation of National Council of the Slovak Republic deputies will arrive in Strasbourg on Sunday [9 May].

It is generally accepted in the Council of Europe that the Slovak Republic's admission could undergo the approval procedure as early as this June.

KDH Blasts Government on Property Issue

AU1005152293 Prague CTK in English 1233 GMT 6 May 93

[Text] Bratislava, May 6 (CTK)—The demand to include the value of villages in the Orava and Spis regions of Slovakia, which were ceded by Czechoslovakia to Poland in 1920, in Slovak claims on the Czech Republic has greatly upset the inhabitants of these regions, said Christian Democratic Union (KDH) Chairman Jan Carnogursky at a press conference today.

Carnogursky called the proposal amoral and noted that the continuation of property disputes between the Czech Republic and Slovakia was dangerously worsening relations between the two republics.

He also said that the Democratic Left Party (SDL) had rejected the joint evaluation of opposition candidates for the post of chairman of the Slovak Supreme Office of Inspection and governor of the National Bank of Slovakia. The KDH considers former Slovak Deputy Prime Minister Anton Vavro to be more qualified for the post of bank governor than Egon Hlavaty, former Czechoslovak State Bank employee and SDL candidate. We are, however, prepared to consider supporting the SDL candidate for chairman of the Supreme Office of Inspection if an agreement on the candidate for bank governor not nominated by the SDL can be reached, Carnogursky said.

A recent meeting of parliamentary party and union representatives with Slovak Privatization Minister Lubomir Dolgos reconfirmed the slow-down or halting of the privatization process in Slovakia, said Gabriel Palacka, member of the KDH Economic Department. In addition, he said, the deputy minister requested meeting participants to help dispel suspicions of a cheap sell-off of enterprises and of unfair privatization practices. Palacka noted that the HZDS election platform threatened to limit the laundering of dirty money and the cheap sell-off of property to foreigners.

Government Freezes Yugoslav Bank Accounts

LD0705155893 Budapest MTI in English 1413 GMT 7 May 93

[Text] Budapest, May 7 (MTI)—The Hungarian Government has, with effect from Friday, May 7, frozen all funds and bank accounts of Yugoslav—Serbian and Montenegran—organizations handled by Hungarian financial institutions.

The National Bank of Hungary (NBH) has forwarded a circular about the step to all Hungarian banks.

NBH spokesman Janos Zadori said the measure extends to organizations with headquarters in Yugoslavia, organizations with headquarters in a third country but owned or controlled by Yugoslav organizations, and societies based in Hungary owned or controlled exclusively by Yugoslav organizations.

Accounts of Yugoslav organizations' trade representations and service offices will also be frozen. Payments and transfers from the frozen bank accounts cannot be fulfilled.

Banks cannot pay interest on money kept in the bank accounts.

The measure does not extend to societies based in Hungary that are partly owned by Yugoslav organizations. This means that joint ventures operating in Hungary are not affected inasmuch as the Yugoslav ownership share is less than 100 per cent.

Yugoslav natural persons can freely utilize their accounts opened in Hungarian banks; the measures have not changed in this respect.

Trade Minister Concludes Aid Accord With Belgium

LD0705200993 Budapest Duna TV in Hungarian 1645 GMT 7 May 93

[Text] Janos Latorcai, the Hungarian minister of trade and industry, has held talks in Brussels with leading EC officials. As far as bilateral relations are concerned, he returned from his official trip, during which he also visited Luxembourg, with a Hungarian-Belgian cooperation agreement. He shared his experiences with journalists at a news briefing at Budapest Airport.

[Unidentified correspondent] According to the agreement, Belgium is to provide assistance in connection with the investment projects of the Hungarian energy industry, the exploration of natural oil and gas reserves, and the handling of radioactive waste. Janos Latorcai met industrial investors who consider Hungary attractive for concluding long-term business. The safe storage of the radioactive waste from the Paks nuclear power plant was raised as well. Belgium has been carrying out research into the appropriate storage of used fuel elements in similar circumstances to Hungary. The PHARE [Assistance for Economic Reconstruction to Poland and Hungary] program is to grant 20 million francs for this cooperation, if the Belgian Parliament approves it.

Jeszenszky Interviewed on Basic Treaty With Ukraine

AU0705171493 Budapest UJ MAGYARORSZAG in Hungarian 6 May 93 pp 1, 5

[Interview with Foreign Minister Geza Jeszenszky by Janos Papp; place and date not given: "We Signed a Good Agreement"]

[Text] The ratification proceedings of the Hungarian-Ukrainian basic treaty, proceedings in which numerous contradictory opinions and positions were made, stirred a great debate both inside and outside the parliament. Our correspondent interviewed Foreign Minister Geza Jeszenszky about this.

[Papp] In view of the 1947 peace treaty in force today, was it unjustified to accept guarantees on borders in the case of Ukraine? Have we exceeded the "Helsinki formula" with this, a formula that does not exclude the possibility of border modification by peaceful means and with mutual agreement?

[Jeszenszky] The English saying "It takes two to tango" is also valid in this case. No one has offered us any border modification so far, either to our benefit or to our detriment. The "territorial clause" of the Hungarian-Ukrainian Treaty, paragraph 2 of Article 2, declares that "the two sides respect each other's territorial integrity and declare that they do not have, and will not have, any territorial demands on each other." This is a rejection of the forced modification of borders, an effort banned by international law since 1928. In principle, such a declaration does not exclude any other legal steps. A similar article appears in the interstate agreements between Germany and Poland, Germany and the CSFR, as well as between Poland and the Russian Federation, and Poland and Ukraine. At the same time, I would like to draw attention to the fact that, while the the aforementioned paragraph is an essential declaration deriving from our obligations so far, but not one without precedent, Article No. 17 of the same Treaty is unique among the former communist countries, or can only be compared with the Slovene-Hungarian agreement on the protection of national minorities. The aforementioned Article No. 17 points out that "in full harmony with the Paris Charter on the New Europe and other relevant CSCE documents, the two sides express their conviction that the friendly relations between their peoples, as well as peace, stability, and democracy, demand the mutual protection of the ethnic, cultural, language, and religious identities of the national minorities, and every condition must be created to guarantee this protection. The two sides will make individual and joint steps aimed at promoting the implementation of these obligations, in accordance with the Declaration on the Principles of Cooperation Between the Hungarian Republic and the Ukrainian SSR on Guaranteeing the Rights of National

Minorities and with the connected Protocol. In their international relations, the two sides will act individually and mutually for the implementation of the international documents on national minorities." I would be very glad to see that all our neighbors are ready to sign a similar agreement and to take the relevant steps.

[Papp] In the future, can we refuse to sign agreements of a similar content with Romania and Slovakia?

[Jeszenszky] No, because, contrary to our other neighbors with whom we have valid peace treaties, we do not have such a treaty with Ukraine. The only legal successor of the former Soviet Union is Russia; according to international law, Ukraine is a new state. In harmony with its 1990 program and the program of the coalition and opposition parties, our government is striving for Hungarian rapprochement with all neighboring nations and, by this, to also improve the conditions of the Hungarian minority living beyond our borders, according to the wishes of Kossuth, Eotvos, Pal Teleki, Gyula Illes, and Istvan Bibo. Our government intends to only sign agreements that guarantee this, in harmony with the desire and program of the legitimate organizations and elected representatives of the Hungarians living there. We are aware of the Hungarian minorities' efforts for self-determination and self-government, and the implementation of these efforts is in both our neighbors interests and ours. I often quote the declaration made by the great historian-philosopher Toynbee in 1915: "Primitive nations exterminate their minorities while civilized nations collect the signs of their satisfaction."

Foreign Ministry Statement

LD0705205793 Budapest MTI in English 1935 GMT 7 May 93

[Text] Budapest, May 7 (MTI)—"The Hungarian-Ukrainian general agreement is expressly favourable to the ethnic Hungarian community of SubCarpathia, and this opinion is also shared by those who are directly affected by it," the Hungarian Foreign Ministry said in a statement tonight.

The agreement was initialled in Kiev on December 6, 1991.

The statement came after the Hungarian parliament had started a debate on the ratification of the agreement on May 3. Although both the government and the opposition parties advocated ratification, some pro-government and independent MPs sharply criticized clause 2, which declares that "the sides observe one another's territorial integrity and have no territorial claims, nor will they have in the future, against one another."

The opponents claimed that accepting this clause would create a precedent, and Hungary's other neighbours would also press for agreements to be signed which preclude not only the forceful, but any other kind of, modification of borders forever. Furthermore, this clause would encourage nationalists in the countries neighbouring Hungary, they argued.

The statement says, "Ukraine occupies a special place among Hungary's neighbours not only from political and economic points of view, but from the aspect of international law, as well. Before 1991 it was not a sovereign country and did not have any agreement with its neighbours which would have guaranteed its borders. This is why it asked, and continues to ask, its neighbours to provide territorial guarantees in written form which exclude territorial claims, just as Germany and Poland provided for when concluding agreements with their neighbours with whom they previously had not any peace treaty.

"The Hungarian Government had the prime goal of promoting the fullest possible enforcement of the cultural and political rights and the realization of the self-government of the Hungarian community living in SubCarpathia, everything which helps this part of the Hungarian nation feel safe in the land where it has been living for 1,100 years.

"In the agreement, the Hungarian Government went beyond the principles of the 1975 Helsinki Final Act in a single aspect, namely by agreeing on guaranteeing much broader rights for the minorities," runs the statement.

Antall Speaks on MDF's Election Campaign

AU0805160493 Budapest MAGYAR NEMZET in Hungarian 5 May 93 pp 1, 5

["V.Z."-signed report: "Antall Speech at the Board Meeting—The MDF's Campaign Is Launched With Full Steam"]

[Text] The statutory meeting of the Hungarian Democratic Forum's [MDF's] National Board on 24 April was a closed meeting and the press only reported on it briefly, using second-hand information. Yesterday, the MDF's weekly bulletin published the full text of [Prime Minister and MDF Chairman] Jozsef Antall's speech in which, among other things, he analyzes the chances of the parties that will run in the 1994 elections, and allows a glimpse into the MDF's election tactics. Here, we publish excerpts from this speech.

It is mentioned in various places that early elections may be possible. The Hungarian Socialist Party [MSZP] talks about early elections based on the fact that it has certain "prepared" people. Rather than as party members, these people are now introduced as stamp collectors or ornithologists, or as friends of children, and then, all of a sudden, they will also be introduced to the press as candidates. This is what they have been preparing for, since June.

We have enough problems governing the country, Antall continued at the MDF's Board meeting, and, in addition, we are facing a difficult autumn with the acceptance of the budget and other laws, while the country also has to be kept in balance. We expect that we will not be able to put the 1994 budget through, we cannot make the country accept it, and we will be forced to call early elections as a failed party. This is the main strategic direction of these organizations—Jozsef Antall spoke about this.... Indeed, for us, the most important thing was, and we realized it through the electoral law, that the 4 percent limit, even if not the 5 percent, was achieved against the other parties.... It is obvious that if we manage to maintain the 4-percent set limit for getting into parliament, or increase it to 5 percent, then the small sibling parties will not stand a chance. To begin with the MSZMP [Hungarian Socialist Workers' Party, now Labor Party], it would be nice to be able to include Gyula Thurmer's party in this, and I suppose it will fall into this category. I could also mention any of the other extreme political forces. Naturally, the question arises what this percentage will mean for the other parties, whether some renewed initiative of the social democrats, Janos Palotas, or the Agrarian Alliance can exceed it. It is possible. Can Imre Pozsgay's National Democratic Alliance exceed it, or the political parties and organizations that are still to be announced?

The FKgP Is the Most Critical Point

Starting from this, we mainly have to count the parliamentary parties. The Independent Smallholders Party [FKgP] is the most critical point. The FKgP may have potential voters in the country who accept this, there are social groups and professional groups who sympathize with the smallholders. However, it is a different matter what the result of this will be, and what relations the FKgP, the current Torgyan faction, and the various groups in the faction will have in the future.... It is clear tor everyone that the Federation of Young Democrats [FIDESZ] will have 63 mandates if it triples its votes, and a corresponding number if it has four times more votes. Political differences in the Alliance of Free Democrats [SZDSZ] are not smaller than they were, or can be, in our party. It concentrates forces that would be irreconcilable groups if they were not in the opposition and they were not opposing us. These are anticommunist, provincial groups that left us, who were not satisfied with us then, or they are the successors of the former hard core.

The Christian Democratic People's Party [KDNP] is, visibly, trying to become stronger. If it triples its mandates, it will have 66. It is, of course, possible that the MSZP will have more, some of its members are attracted to the SZDSZ's hard core, and the others depend on the progress of the Pozsgay group. There is also a pragmatic, party-bureaucratic group, the apparatus led by [Chairman] Gyula Horn. A further question: I do not believe in the Lithuania syndrome to such an extent in Hungary, in fact, not even in the region. Therefore, if we sum it all up... one can have the feeling that the party proportions will change.

False Indications

It will be very important to motivate the people because it might be our electors who stay away.... However, looking at it on the basis of parliamentary party politics... there is no political party at the moment that could potentially defeat us after a one-year preparation.... If we gather ourselves, if we define precisely the limits and the milestones, and if we take all these phenomena into consideration, then yes, the MDF does have a chance of remaining the strongest party. When a citizen goes to vote it is not the same as by-elections or the results of public opinion polls, because here he decides in what direction we are going, what he has lived through, and what he has to consider.... Hungarian electors are always reluctant to renounce a sure thing if they know what this means and where it is taking them.... Therefore, I can continue to state that nobody can destroy us but we, ourselves....

As for the byelections, I would only like to say that low participation is a well-known fact.... Please, do not forget the fact, where we made a mistake, that the German electoral system does not know byelections. They do not make themselves nervous by possibly receiving false indications through the results....

If we start from this party structure, we have to see that, with these parties, before the elections, we only have a loose, ideological relationship that was tried out in government with the KDNP. If there was a renewed smallholders party, then this would also exist with the smallholders party.... In addition to the MSZP, many other political forces may exist with which we do not want to enter into a coalition.... However, to conduct anticommunist propaganda in this country, or that we should have anticommunist politics and, at the same time, we should consider working together with some kind of MSZP or former communist force, is ridiculous and mendacious to say the least. I oppose, to the greatest possible extent, cooperation with former communist forces—not with the former party members—their successor organizations, cover organizations, and Trojan horses, and I would refuse to participate in this.

In my view, it is very important to prepare for the elections. This includes good organization, a launch at the right time, and the whole public relations work of campaign organization. All this has to be started now, with full steam. There is no other possibility. We announced the start at the national meeting.... It is not possible to conduct politics by maintaining ourlselves by intellectual and political inbreeding. The MDF has also to find the people who are leading figures in some area.... Budapest and the provinces must not find themselves opposing each other. It is our goal to develop provincial Hungary, but today, in Hungary, a political party that does not have the necessary strength in the capital cannot win, cannot be showing the direction in the long run, and cannot have an influence.... To sum it all up: In respect of domestic politics, Hungary does not have any party with a bigger chance than the MDF. In respect of foreign policy, it does not have a political party with more credibility than the MDF.... Therefore, there is no foreign policy alternative, the opposition and everyone else is building on our credibility. The notion that we made allowances in foreign policy issues, or in others, or that we, somehow, gave in to Europe, are ridiculous.... We will achieve 8, 10, or 15 percent. Do you think that it is possible to achieve this kind of virtue and to turn into a mass movement with the loud ones? Look at Solidarity. That was a mass movement of 10 million people and what did it turn into during the transition period? If we do this then we may pass power to the communists. If you like, with right-wing slogans, with social demagogy, or with left-wing slogans.... At the same time, you should take into consideration that this country has grown up after 1956 and not under the spell of 1956. With a broad pragmatic attitude and, unfortunately, without a very big moral background.... These people are not motivated by our most radical slogans, and it is in vain to fill a sports hall with loud people, they will not vote for us. Because this is not what they had expected, and these are not yet their goals. There was not any time for national, Christian, or European education. In five or six years, we could have prepared society to be different....

The Russian Bear]

It is in the interests of some of Russia's forces to destabilize this region. No one should believe that all Russian generals left this country without wanting to return in the future.... We supported the establishment of Ukraine to avoid being direct neighbors.... Now, our task is to save what can be saved with Yeltsin, while trying also to ensure the West's help. Of course, not to our detriment, but to prevent the region from turning into a hotbed of war. However, let us well remember that we can certainly expect that the Russian bear, after having a little sleep, may... aim at this region. If World War I had been won by the Entente and Lenin had not come, which we would have been happy about and for which have reproached our German friends a number of times because they returned Lenin home, then there would not have been communist rule....

Accord Controlling Emigration Signed With Germany

WS0705123793 Warsaw TVP Television Second Program Network in Polish 1100 GMT 7 May 93

[From the "Panorama" newscast]

[Text] Poland and Germany have concluded an agreement on asylum-seekers. The ministers of internal affairs, Rudolf Seiters and Andrzej Milczanowski, signed in Bonn today a document that was prepared over a five-month period of negotiations. According to the agreement, Germany will grant Poland 100 million German marks' worth of aid. Warsaw will use the money to create centers for asylum-seekers sent back from Germany. Germany can decide to send a foreigner to Poland within six months. This year the number of the asylum-seekers to be sent to Poland has been limited to 10,000. We do not have to admit those who submitted an asylum application prior to the date the law came into effect. The German parliament will enact limitations to the German asylum law at the end of May.

Estonian President Ends Official Visit, Tours Gdansk

LD0705215193 Warsaw PAP in English 2113 GMT 7 May 93

[Text] Warsaw, Gdansk, May 7—President of the Republic of Estonia Lennart Meri on Friday ended the official part of his two-day visit to Poland.

After a farewell ceremony outside the presidential residency, the Estonian president left for Gdansk to lay a wreath at the monument to the shipyard workers killed during the 1970 protests in Gdansk and tour the harbour.

He also met with Commander of the Polish Navy Vice Admiral Romuald A. Waga. Before the meeting Meri said that he expected that an agreement on cooperation between Polish and Estonian border guards will be signed within a month or two.

Peasant Alliance To Leave Government Coalition

LD0705124293 Warsaw Third Program Radio Network in Polish 1200 GMT 7 May 93

[Report by Ewa Dudzinska]

[Text] [Announcer] The Peasant Alliance [PL] is finally leaving the [government] coalition. The leadership of the party made this decision.

[Dudzinska] Of the nine-member presidium, one was absent—(Zbigniew Rynasiewicz) from Rzeszow. A vote of five to three was enough to tip the balance toward leaving the coalition. [PL Chairman] Gabriel Janowski said that for reasons of state and common good, the PL would be open to any suggestions and government actions. When asked if members of the government who were in the PL would have to leave, Gabriel Janowski answered: The choice is theirs.

Spokesman on Peasant Alliance Not Rejoining Coalition

LD0705133493 Warsaw Radio Warszawa Network in Polish 1200 GMT 7 May 93

[Interview with Zdobyslaw Milewski, press secretary of Prime Minister Hanna Suchocka, by station correspondent Malgorzata Slomkowska, on 7 May—recorded]

[Text] We asked Zdobyslaw Milewski, the press secretary of Prime Minister Hanna Suchocka, for his views on the decision of the Polish Peasant Party-Peasant Alliance [PSL-PL] to leave the government coalition.

[Begin recording] [Milewski] As I see it the situation is very complicated, because yesterday the PL Parliamentary floor group declared its return to the coalition. Today the Presidium of the Supreme Council overturned this decision. I am not able to tell you in any definite way which decision is final.

[Slomkowska]] I understand. But if the decision to leave the coalition is the final one, what would the government say to that?

[Milewski] The government respects such a decision as the decision of an autonomous party.

[Slomkowska] Do you see another party which might take the place of the Peasant Alliance?

[Milewski] Madam, there has been talk of that for a very long time. First, the government coalition—from the very beginning, from its creation—has been open to other parties, and has always declared this. On the other hand, the problem is that this needs some sort of declaration on the part of these other parties.

The coalition without the PL will be a minority coalition, but will be a stable minority coalition. Such minority governments are not unknown. In many countries there have been minority governments which have managed to govern and to move forward the process of reforms or the process of their country's development. Of course, if there is a minority coalition one must bear in mind that it has to try to gain support of all the more important government projects, that is the more important ones for the country, from the opposition. And such efforts will no doubt be made.

Defense Systems Contract Signed With France

LD0705214893 Warsaw PAP in English 2111 GMT 7 May 93

[Text] Warsaw, May 7—Polish firm "Radwar" and France's "Thomson-CSF" signed in Warsaw on Friday an agreement on cooperation in the production of military reconnaissance and command systems.

The agreement will make it possible to equip the Polish Armed Forces with Polish-made devices compatible with Western standards and to start export production.

Col. Jerzy Kade of the Ministry of Industry and Trade stressed the systems produced under the agreement will make the Polish Army independent of the systems used in the former Warsaw Treaty states. According to Kade the talks on the agreement proceeded slowly since the sensitive production of defence systems requires full confidence in the partner. "Thomson, unlike the American firms decided to start the talks," Kade stressed.

Thomson's President Giscard d'Estaigne told a press conference here that the firm's strategy is to create a zone of common defence industry in Europe while Poland's role in ensuring security in that part of Europe is extremely important.

Poland's Defence Minister Janusz Onyszkiewicz stressed on his part that "the new conditions call for cooperation allowing Poland to acquire technologies used by the Western armies."

Walesa, Factory Heads Meet on Defense Industry Reform

WS0605140993 Warsaw TVP Television First Program Network in Polish 1100 GMT 6 May 93

[From the "Wiadomosci" newscast]

[Text] In Warsaw a meeting has begun between President Walesa, Prime Minister Suchocka, and Solidarity members and heads of factories that manufacture military equipment. [Video shows Polish officials and others seated around a table in a large room.] Also participating in the meeting are the ministers of industry and trade, national defense, economic cooperation with abroad, and the head of the General Staff. The meeting has been organized by the Office of National Security at the order of President Lech Walesa. Its purpose is to start the restructuring of the Polish defense industry. The difficulties of the plants that produce military equipment result from a lack of the orders by the National Defense Ministry for military equipment. Another reason is the fact that former Soviet republics are not paying for the received equipment. The military equipment plants have not been paid to maintain the so-called defense potential, even though such a payment was envisioned in the budget law.

PPS Leader on Campaign Against Unemployment

PM0705103193 Wroclaw SLOWO POLSKIE in Polish 28 Apr 93 p 4

[Interview with Piotr Ikonowicz, Polish Socialist Party chairman, by correspondent Teresa Kwasniewska; place and date not given]

[Text] [Kwasniewska] The idea and the initiative of setting up an interparty and intertrade union group named "Social Movement for Combating Unemployment" came from Polish Socialist Party [PPS] circles. To what extent does your program compete with the proposals put forward by the Ministry of Labor and Social Policy?

[Ikonowicz] Minister Boni is doing everything he can to teach us to live in permanent unemployment. We, on the other hand, want to combat unemployment. We propose to address this social problem as a result of a faulty macroeconomic policy, whereas the Labor Ministry proposes to apply painkillers that will alleviate the symptoms without getting rid of the disease itself. And this is the dramatic difference in our respective approaches to the question and the philosophy of combatting it.

[Kwasniewska] Professor Kabaj, whom you invited to cooperate with you (along with many other academics), claims that the whole unemployment problem has been laid at the door of just one sector—the labor sector, which is now obliged to take on the burden of the consequences of other ministries' past actions.

[Ikonowicz] It is expected to account for the wanton destruction of jobs for which other factors were also responsible. We want to reach a European standard whereby every political decision made by a minister, a sector head, or the prime minister will be analyzed and assessed from the viewpoint of the results it is likely to cause in the labor market. If that criterion is not fully met, our chances for limiting the extent and growth rate of unemployment without changing the power configuration are virtually nil.

[Kwasniewska] Are you hoping to work a miracle?

[Ikonowicz] We are fully aware that unemployment cannot ever be completely eradicated. All we can hope for is to reduce its growth rate and its level. Given our circumstances, all realistic prognoses claim that unemployment could soon reach the figure of 3 million, and if the rate of economic growth is maintained, by the year 2000 it could even rise as high as 5 million.

[Kwasniewska] Is your initiative not generated by hidden political motives? After all, there are subjects which lend themselves particularly easily to political manipulation, and politicians gladly reach for them in order to win popularity with the public.

[Ikonowicz] When unemployment is at stake, it would be nothing short of indecent to exploit for political ends the tragic situation in which a large proportion of our public have found themselves. In addition, it is not particularly appropriate to charge a politician with wanting to make people's lives easier solely in order to win their political support. It is perfectly logical to expect that left-wing parties will follow the will and the voice of society, and that they will not avoid the problem of unemployment—a problem which causes the most public anxiety today—and also that they will attempt to organize the growing movement oriented toward social self-defense so that it can command more "clout" and influence. The objective is to channel the movement so that it can influence the state's social policy, constitute an important factor in directing the decisions and actions undertaken by relevant power elements responsible for the implementation of the unemployment-combating programs.

[Kwasniewska] Do you declare your initiative open to all interested sides?

[Ikonowicz] We have agreed that our movement will be built on the principle of voluntary access. It will most certainly not constitute yet another variety of political coalition. Anyone who wishes to fight unemployment on certain program-defined conditions determined by the movement can join the movement without reservation. We appeal to all existing organizations for the unemployed or those threatened with the prospect of unemployment to join our movement and form its local branches in order to combat unemployment more successfully wherever it occurs. And the fact that the participants in our movement include the Union of Labor, Wlodzimierz Cimoszewicz, Piotr Ikonowicz, and various activists hailing from the Polish Peasant Party [PSL] the National Trade Union Agreement [OPZZ], and the Democratic Party [SD]—and that we can also expect Solidarity to join our ranks soon—demonstrates the moral force of the whole enterprise and also, in a sense, illustrates the irrelevance of the divisions and the individual egoistic attitudes of each separate group. We would like to see all political divisions obliterated by the need to join forces to combat the overriding problem of unemployment.

[Kwasniewska] You also need considerable financial resources to be able to act effectively in that area.

[Ikonowicz] If we succeed in organizing a large proportion of Poland's unemployed in our movement, the movement will naturally become an element of the state—or social—system of an active campaign to combat unemployment. And we will then hope to attract some funds in the form of subsidies from the state budget. However, we obviously do not intend to depend on government subsidies. The advantage of mass movements is that they do not have to worry too much about finance. We will establish a "cooperative" of all initiatives ran by the unemployed and then even small contributions will grow to the extent which will give us the opportunity for effective action...

[Kwasniewska] You pride yourselves on launching the initiative which eventually led to a Sejm debate on unemployment. Why are you so pleased with it?

[Ikonowicz] Because we want to raise the unemployment question to the rank of major national concerns. And we also want to promote a different image of an unemployed person: as someone who has been wronged but nevertheless deserves respect, and not a scapegoat or a scrounger who has the nerve to earn money on the side even as he collects his (very meager) unemployment benefit! We must try to give these people a renewed sense of dignity and hope.

[Kwasniewska] Do you plan to hold talks with the government?

[Ikonowicz] We entertain no hopes that the whole problem of unemployment will be resolved by the time the new election is called. After all, a solution would require a change in the macroeconomic policy, which is impossible to introduce in the present parliamentary system. Nevertheless the fact that we still choose to talk with the government without worrying that it might fall or change its composition overnight should attest to our lack of interest in manipulative election policies.

[Kwasniewska] When do you expect to see some tangible results of your actions?

[Ikonowicz] We can only win such results in a confrontation, not through negotiation. However, we intend to organize a national congress of the unemployed before the summer vacation recess. We will ask all known circles and milieus grouping unemployed persons to send at least their representatives to the congress. We will elect leading structures which will be acting on the strength of the powers vested in them by the congress members. Once we have completed all these operations, the government will be forced to take note of our movement. We will then have not only correct ideas and concepts on our side, but we will also control the weapon of social pressure wielded by those who have already lost their jobs and also by those who are afraid that they might lose them in the future....

Vacaroiu, U.S. Envoy Discuss Yugoslav Embargo

AU0805143693 Bucharest ROMPRES in English 1315 GMT 8 May 93

[Text] Bucharest ROMPRES, 8/5/1993—Premier Nicolae Vacaroiu received Friday, 7 May, Christopher Hanken, deputy to the U.S. secretary of state assistant, and representative of the U.S. State Secretariat for enforcement of the embargo against Yugoslavia.

The Romanian prime minister thanked the United States for its assistance through the shipment of the three speed boats devised to monitor the embargo and informed the guest about the measures Romania had taken in order to comply with the resolutions of the U.N. Security Council about a total embargo. Mr. Vacaroiu described the cooperation with the UN observers, with Hungary and Bulgaria as good. He expressed his hope that political dialogue would find a solution for the conflict and reiterated Romania's wish for stability in the area. The prime minister enumerated the important losses incurred by Romania as a consequence of her complying with the embargo requirements and reminded that Romania applied to the Security Council on the matter without however having received any reply. The Romanian premier stressed that Romania, as a zone of stability, could prevent the extension of the conflict in the Balkans.

The guest expressed satisfaction for the good cooperation between the two governments on the embargo issue and defined the purpose of his visit in the area. Mr. Hanken said he would forward President Clinton a report showing that Romania was the country that has best and most promptly observed the provisions of the Security Council resolutions. He was of the opinion that if the other neighbouring countries did it equally well Romania's task would be easier.

Iliescu Views Vance-Owen Plan as Only Chance

AU0705170693 Bucharest ROMPRES in English 1547 GMT 7 May 93

[Text] Bucharest ROMPRES 7/5/1993—"President Ion Iliescu has received with concern the news of the Bosnian Serbs parliament's decision to refuse ratification of President Radovan Karadzic's signature on the Vance-Owen Peace plan in Athens," Romanian presidential spokesman Traian Chebeleu told a May 7 press conference.

Spokesman Chebeleu opined that the decision "complicates the situation," which is thus heading towards a state of war that "will amplify the tragedy of the inhabitants and will increase tension in the space of former Yugoslavia and its vicinity."

The Romanian president expresses his hope—Mr. Chebeleu added—that the May 15-16 referendum will be organised and will yield a result favourable to the Vance-Owen Peace plan, "the only chance, despite its shortcomings, to stop the conflict."

Fratia Trade Union Suspends Strike

AU0705201693 Bucharest Radio Romania Network in Romanian 1500 GMT 7 May 93

[Text] We have received the following communique on behalf of the Fratia Independent Trade Union Confederation:

Today, 7 May, at 1400 [1100 GMT], the Strike Committee of the Fratia Independent Trade Union Confederation held an extraordinary meeting. The Strike Committee believes that launching a general strike as the last form of trade union struggle was generated by the adamant position held by the government during the negotiations and its lack of interest in the alarming deterioration of the standard of living of our people.

The Strike Committee examined how to solve six demands discussed with the government, which led to the labor conflict, and decided as follows:
1. The protocol signed on the evening of 6 May 1993 meets the demands of the Fratia Independent Trade Union Confederation in a proportion of 60 percent.
2. The Strike Committee asks the other signatory trade union centrals to provide greater unity in obligating the government to abide by and apply the protocol provisions.
3. Beginning today, 7 May, at 2400 [2100 GMT], the general strike called by the Fratia Independence Trade Union Confederation on 5 May at 0600 [0300 GMT] is suspended.

Depending on the nature of jobs, professional federations are to apply the aforementioned decision.

The labor conflict continues to be open until all demands are met.

The Strike Committee declares that the aim of all actions undertaken by the Fratia Independent Trade Union Confederation is improving the standard of living of all socio-professional segments in Romania, including pensioners and unemployed, without any negative effects on the national economy and without preventing the progress of the reform.

The communique is signed by Mr. Miron Mitrea on behalf of the Strike Committee.

Iliescu Hails Outcome of Talks With Trade Unions

AU0705142093 Bucharest ROMPRES in English 1311 GMT 7 May 93

[Text] Bucharest, ROMPRES, 7/5/1993—At a news conference on May 7, Presidency's Spokesman Traian Chebeleu read out a statement of President Ion Iliescu who "hails the successful finalization of the government-trade unions negotiations" that ended yesterday by the signing of a protocol between the two parties.

The Romanian president expressed his hope that the government's negotiation with the National Union Bloc

(BNS), the only confederation that did not sign the protocol, would be soon finalized by an appropriate agreement.

The Presidency spokesman said the negotiations, held over the past few days, proved the fact that they represented the only way to clarify and solve the problems. "To achieve a balance between the measures imposed by the reform and their impact on the standard of living of the population represents a main concern of the government," the spokesman said. He further qualified the negotiations as "a relevant test which proved that the democratic institutions are functioning in Romania."

Iliescu Interview for NEWSWEEK

AU0705162993 Bucharest DIMINEATA SUPPLEMENT in Romanian 4 May 93 pp 1, 2, 3, 4

[Interview with President Ion Iliescu by NEWSWEEK correspondent Scott Sullivan, in Bucharest on 4 February 1993: "We Are Making Great Efforts To Change the Face of Society"]

[Text] [Sullivan] Mr. President, thank you very much for receiving me. I understand that we have something like half an hour allocated for this interview, and therefore I will put to you only those questions that I really want to ask. Consequently, I would like to apologize in advance if some of these questions are going to be rather unpleasant, or tougher than usual.

[Iliescu] I do not believe they can be tougher than the questions put to me by the Romanian press.

[Sullivan] A few months ago, a very good French political analyst, Jean Francois Revel, said, with reference to the Romanian revolution, that you have, indeed, reached Gorbachev's level, but have stopped there. Are you already in the Yeltsin phase, or is it still to come?

[Iliescu] I do not believe that drawing such parallels is correct, and I am surprised that they come from an analyst of Mr. Revel's caliber. Of course there is a common denominator for all changes that have occurred, and are still taking place, in the Eastern European and Central European countries. But, at the same time, there are specific features of each country, and none of the processes taking place in the Central and Eastern European countries can be identified with those taking place in the former Soviet Union. Both the size and content of the changes taking place there are totally different from those happening in the countries of Central and Eastern Europe.

Hungary has been on the road of market economy for 20 years, since Kadar's days. Czechoslovakia had the so-called velvet revolution. Unlike all the other countries, the process was explosive in our country, due to the very harsh nature of the totalitarian system imposed by Ceausescu, which has stifled all political and ideological life and imposed a super-rigid and super- centralized administrative system on the economy. The decision, of the past 10 years, to eliminate our foreign debt has brought great tension to our economy, encouraging forced exports, sacrificing the domestic market, and limiting imports—which has had an impact on the technological levels of whole branches of industry and led to a reduction of their competitiveness on foreign markets.

All this has led to a maximal accumulation of tensions, which has determined the explosive character of the mass and popular movement [of December 1989]. All delusions of a coup d'etat are unfounded. There is no doubt that the internal opposition has expressed itself in various forms. It is also possible that various foreign espionage centers have operated in Romania—something which cannot be excluded at all. However, the decisive element was the people's uprising and mass movement, which led to the overthrow of the entire system of political leadership. Therefore, Romania has gone a completely different way from the other countries, where the changes started at the top; that is, at the initiative of the central leadership. I am saying all this regarding your Gorbachev allusion. Therefore, there has been no Gorbachev in Romania to initiate political change from the top and none of Romania's political leadership from that time have entered today's political structures. Consequently, you will find no Gorbachev, Yeltsin, Kravchuk, Snegur, Nazarbayev, or Shevardnadze here. This means that it is hard to make such comparisons.

[Sullivan] I think that what Mr. Revel wanted to say is that he also agrees with you in this respect, that there is a specific Romanian feature and a great difference between Romania and the other countries in the region. You mentioned one of the differences—the violent character of the revolution itself—but it is hard to overlook—either from within or from without—that former communist politicians and officials are playing a greater role in Romania than in other countries.

[Iliescu] For instance?

[Sullivan] Well, you have, for example, a socialist party [Socialist Party of Labor], which is clearly communist, if I am not wrong. Both your party [Democratic National Salvation Front] and Mr. Petre Roman's party [National Salvation Front], but even within the Democratic Convention [CDR]...

[Iliescu] But that party has only obtained 3 percent of the votes, while the same type of party has won 45 percent of the votes in Bulgaria, and you can find similar parties in Ukraine, Russia, and other countries...

[Sullivan] Yes, I am aware of that. However, I referred to parties and officials...

[Iliescu] In Hungary, Mr. [Gyula] Horn's party is represented in Parliament, while in Czechia, Slovakia, and Poland you can find such parties exerting much greater influence on their countries' political lives than the Socialist Party of Labor [PSM] is doing in Romania.

[Sullivan] Please remember that I did not say communists. I said former communists!

[Iliescu] Regarding former communists, we find them in all parties, including the opposition parties in Romania. You will not find noncommunists. There are only a few exceptions, since 4.5 million people were Communist Party [PCR] members. All important, leading cadres of the country's economic and social life were party members. However, you must take into consideration what kind of party the PCR was. The country's entire political life was dominated by one single party. Therefore, it was not a party, but rather an umbrella for a totalitarian system. One can now see that the former members of that party have opted for various political orientations.

[Sullivan] The opposition in your country, particularly the CDR, is talking about a restoration of the former regime and, obviously, they say that the president is...

[Iliescu] All this should be judged within the context of the political struggle going on inside the country. You will always find such figments of imagination. This does not apply only to Romania. In the United States, when Roosevelt launched his "New Deal," he was also accused of being prosocialist and procommunist, in keeping with Keynes' theories on state intervention in the economy and economic life. Therefore, this is not something new in politics.

[Sullivan] Indeed, it is not. Next I am going to ask you a similar question, at a much more serious level. One of the things I believe you will agree to is that, both in practice and in theory, your country and your party are emphasizing the need to maintain social justice and are moving rather slowly to the market economy, compared to your neighbors. Is this statement right or wrong? Why has Romania taken such a cautious line?

[Iliescu] There are two aspects here—the first being the theoretical discussion of the pace of change and of the transition. Let us see if this discussion is essential. It is one thing to want something and another thing to be able to achieve it. Talking from a subjective viewpoint, everybody would like to implement this transition as fast as possible. But is it possible? The so-called shock therapy is only a theoretical discussion. Poland is paying for having experimented with "shock therapy" and is now rethinking this entire strategy, the strategy of transition. Maybe the only country where "shock therapy" was implemented is Germany. But under what conditions? Under the conditions of a very strong economy, the strongest in Europe, namely the western German economy. Some 150 billion German marks, that is $120 billion, are, annually, being pumped into the former East Germany to support the effort of the people there. Consequently, there is a very important capital input, serious resource backing the effort. We negotiated for two years with the "Group of 24" for one, single, billion dollars—not as aid, but as credit. A loan of just one billion dollars! In the end, only the EEC agreed to lend us half a billion. Japan is going to give us another 100 million dollars. Therefore, that billion has not yet been granted to us, fully. The domestic economic situation is very difficult. Aside from the initial crisis, which provoked the shock, and the revolutionary movement, at the end of 1989, a new crisis has emerged, a crisis which is characteristic of the transition to the market economy. It appeared due to the fact that all the state's centralized structures were removed, without having developed all the necessary instruments of a market economy: legislation, institutions, and so forth. There is another element: the international climate! The disappearance of CEMA has represented a new source of difficulties for Romania, as CEMA was our main source of energy and raw materials and the main market for our industrial products. Then came the Gulf crisis, with Iraq and Kuwait being the main oil suppliers of our petrochemical industry. Now comes the Yugoslav crisis... All of them, together, have created serious hardships for the Romanian economy, and, consequently, our industrial production has been reduced to only half of what it was in 1989. Inflation and unemployment are the most difficult effects of the action of these factors, which we must now deal with and which are creating new sources of tension.

Given these conditions, how can you think of a greater pace of change, when internal resources are extremely limited and foreign resources are not coming in? Therefore—this is the second aspect—one should judge these problems and work out appropriate strategies by taking into consideration the prevailing reality. We must work out the program and strategy of transition and economic reform, by taking into consideration the real situation: the material, financial, human, and other resources—as well as existing domestic and foreign market conditions. Instead of playing around with such theoretical ideas, it would be better to judge the real processes that are taking place, and their complications, in order to create a better international climate. I believe that the efforts of all countries should be backed and that there should be no discrimination or differences between Hungary and Romania, Czechoslovakia and Romania, and so forth.

[Sullivan] Regarding this, I would like to discuss a specific aspect. Last week, in Davos, Mr. Nastase and Mr. Negritoiu held a number of business meetings. These businessmen and bankers said that they understand and appreciate what the two gentlemen said, and that they understand the problems faced by Romania. What they, however, did not understand was the Romanian Government's persistence in keeping a number of enterprises operating at a loss, and they said that the Romanian Government's policy of continuing their operation as state property—because obviously no one wants to buy them—was a very serious problem for them and—as investors—a bad sign. What is your opinion on this?

[Iliescu] First, this assessment is not a realistic one, because our industry is currently working at only half capacity. Numerous factories are closed because they do not possess the means needed to carry on their activity; they also have no markets for selling their products.

[Sullivan] Yes, but the factory workers were paid their wages.

[Iliescu] In the iron and steel sector, for instance, some 15 million metric tons of steel—the total capacity of production units—have decreased to less than 7 million tons a year. Consequently, numerous units are closed at this time. In the field of petrochemistry and crude oil refinery our capacity is 35 million tons of crude a year and only half our capacity is operating, some 17 million tons; in textiles and light industries there are scores of enterprises that have completely shut down; in other cases only certain sections are closed, because they have no markets on which to sell their products. Many of these enterprises, which are located in the east of the country, took the Russian market as an economic comparison; now this market no longer exists and, consequently, they have had to be closed. Another situation is the discussion on ways and means to protect our own industry. This is a very important discussion: How to promote the reform and transition process, while, at the same time, protecting our national wealth and output. You can see in the case of the United States—the most liberal of all economies—how protectionist measures are taken. What is the connection between the theory of economic liberalism and these discriminatory measures?

[Sullivan] No, no...

[Iliescu] In protecting the domestic market and domestic products, is it correct on the part of the United States or the Western European countries to look upon the Romanian economy as a competitor and to erect barriers against Romanian products? At the same time, however, they request that Romania should open wide its domestic market! I think that, rationally speaking, this is not correct. Under the current circumstances, this is one of the main sources of contradiction within the framework of an integrated economy, while the relationship between rich and poor countries is the main contradiction of our times. Such a discriminatory position of political economy, which is being promoted by the rich countries, is perhaps the main source of conflict in international relations. We ourselves sense this attitude.

[Sullivan] I am afraid that it will be even worse because, when agriculture recovers and begins to produce for export purposes, tension between you and Western Europe will even intensify.

[Iliescu] This will not apply in our case, because our agriculture is going through a difficult stage.

[Sullivan] Yes, I know. I am talking of the coming three to four years.

[Iliescu] Indeed, there is great potential in increasing agricultural yields and we have to create a much more open atmosphere for cooperation in this direction.

[Sullivan] I think that this takes us to the next question. This week you signed—that is Romania signed—an association accord with the European Community. What is your opinion of the period needed by Romania to join the EEC? Do you still think that EEC membership is absolutely necessary for Romania? Or do you have your doubts in connection with what we said before?

[Iliescu] No. We view this as a positive action because, despite numerous reservations and discussions in connection with the developments that are taking place in our country and in other Eastern European countries, it is, nevertheless, an opening. It is, actually, the only path, because the processes currently taking place, at the end of this century, are integration processes; the integration of all national economies into the world economy. This integration process is taking place in Europe and throughout the world economy. Thus, we view this as a positive step for Romania's integration into the economic activity of this continent. But, of course, it is just one step.

Regarding your question about the prospects of this integration, it is certainly a much more complicated process, because of the discrepancies between our economies. Differences are so great, as far as the level of economic and technological competition is concerned, that we will need a lot of time to raise our competitive potential and capacity to the level of Western countries. This will, however, depend on both sides: on how this process will take place in Romania and in the other East European countries in order to normalize the situation and create an optimal model of development with a view to an effective integration in the world economy, and, at the same time, it also depends on the way that the Western Community will act—in an open way—to support these integration processes.

I think that increasing our country's economic potential is not only in the interests of Romania and Romanian society, but also in the general interest in order to create a better atmosphere needed for the integration process. I believe that we are currently living in very important times. The main division of the continent into two blocs, in the political, ideological, and military fields, has disappeared and a new political climate is being created in Europe. Thus, the main barrier is the economic one, while the common efforts aimed at decreasing the existing discrepancies are, I believe, in the interest of both sides—Western and Eastern Europe.

[Sullivan] Can you visualize a situation in which countries like Poland, Slovakia, Czechia, and Hungary would be integrated into the European Community, while other Eastern countries, like Bulgaria, Romania, Ukraine, and Belarus, would remain outside? I am asking this question because this scenario is similar to what seems to be happening in fact.

[Iliescu] There is such an approach by these three, and now four, countries, as well as by certain political circles in the West. But I think that this is not correct. For, generally speaking, the processes occurring in all these countries in Central and Eastern Europe are the same and I think that it is in the interests of the European

Community to act the same way as all the other countries in this area of the continent. At the same time, it is necessary for direct bilateral relations, as well as regional relations in this part of Europe, to continue the development process. We are very closely linked through history, traditions, and economic relations with all our neighbors. We are interested in creating a new framework for relations with the countries in this part of Europe. Together, we should be able to create new opportunities for general integration on our continent.

These are, in fact, a few ideas from the recent initiatives regarding cooperation among the countries in the Black Sea area, which are characterized by an especially high potential in the economy and in terms of natural and human resources in the whole area. We view this cooperation as a necessary step in the European integration process.

Certainly, we are currently experiencing a very difficult situation, a crisis, due to the conflict in Yugoslavia. From the point of view of prospects, however, we view the new "channel" that was created along the Danube-Main-Rhine Rivers and the interconnection of the waterways of all these countries as offering new prospects for integrating all economies and all countries in this area; likewise, this also serves as a means of interconnecting Europe and the Middle East, a step of general interest for the development process not only on our continent, but also for the world economy in general.

[Sullivan] One of your closest neighbors is, of course, Hungary and, at least from the point of view of numerous people in the West, the problem of the Hungarian minority in Romania is a significant one. I will go to Transylvania tomorrow in an attempt to see for myself how things stand—in general terms. You know that both the Europeans and the Americans would like to see the situation of minorities solved and, if their main demands were solved, the West would be much more interested in granting help in other areas. What are the prospects of meeting the main demands of the Hungarian minority and the time limit for implementing them?

[Iliescu] Generally speaking, we are dealing with an artificial fuss over this issue; we do not have only a Hungarian minority, but 14 such minorities that represent, altogether, some 10 percent of Romania's population. We number 23 million citizens. Certainly, the Hungarian minority is the largest—1.7 million inhabitants living mainly in Transylvania, but also in Bucharest.

[Sullivan] Chicago has the largest Polish population in the United States.

[Iliescu] Transylvania has about 9 million inhabitants and the Hungarians represent about one and a half million of them. In order to be objective, the Hungarians are not the only ones who represent minorities in other countries. I do not believe that there is a country in Europe without ethnic minorities.

[Sullivan] That is right, there is no such a thing.

[Iliescu] You will find minorities in all the other countries.

[Sullivan] That is right.

[Iliescu] Likewise, one can find Romanian ethnic minorities in other countries. Officials in Hungary are talking about 5 million Hungarians who live outside Hungary's borders. We also have 7 million Romanians who live somewhere else, but we do not raise this issue.

[Sullivan] Are there Romanians also in Moldova?

[Iliescu] Yes, also in Moldova. There are 3.5 million Romanians in Moldova. Apart from that, one can find Romanians in Ukraine, Hungary, Slovakia, Yugoslavia, Bulgaria, and many other countries. However, we do not raise the issue of Romanians who live outside our country and we do not demand that the Romanian Government should be the defender of their interests, because if we generalized such an approach it would produce tension throughout the world. If, for example, the Mexican Government considered itself responsible for all the Spanish-speaking people in the United States, then a permanent state of tension would be reached between the respective countries. I believe that, in coming years, the United States could become the country with the largest Spanish-speaking population. What would be the political situation if all Spanish speaking countries would consider them as their own citizens and would start setting conditions to the United States and its government about the situation of those people.

[Sullivan] I have understood the sense of your idea. However, you have the problem of the Hungarian minority. How do you deal with this issue?

[Iliescu] I am going to tell you about it. We should bear in mind the objective reality. I believe that the way in which each country is dealing with the issue of its own ethnic minorities is connected with the specific situation of the respective country and we cannot teach others how to do a better job. As a matter of fact, in Romania you will find many possibilities for ethnic minorities to express their identity, not only the identity of the individual but also of the community. All these minorities have their representatives in the Romanian Parliament. This you will not find in the Hungarian Parliament for example—since you are talking about the Hungarian minority. All the 14 minorities are represented in the parliament. Not all minorities raise the issue that they are hampered in asserting their identity and in expressing themselves freely. It is only the Hungarians who raise this problem. Why? When you travel to Transylvania you will find schools where everybody has the possibility to not only study in their mother tongue but they, first of all the Hungarians, can have their entire education in the respective language. I am not talking only about elementary school and middle school, but also about university education. There are courses and programs in the Hungarian language. Therefore, the Hungarian ethnics have all these possibilities to express themselves. As far as their cultural life is concerned, they have their own cultural institutions such as theaters, libraries, their own newspapers, magazines, radio and television programs, and others. You will find all these possibilities of expression.

The fuss made around this issue has a political character. When society is going through difficult moments, ethnic feelings become more emphatic. We have to understand that, from a psychological point of view, there is a historical basis for all these feelings.

Throughout the centuries, for example, the Hungarians in Transylvania have always represented a minority, because the majority of the population was Romanian. In spite of this fact, the Romanians did not have political rights and were not even recognized as a nation. In accordance with the principle "Unio Trium Nationum" [Union of Three Nations] only Hungarians, Secklers, and Transylvanian Saxons enjoyed recognition and thus were the only ones who could be represented in the Transylvanian Diet. The Romanians did not have the right to be represented in the Diet. As a result of World War I, the principles of nationalities emerged and new states were established in Europe. For the first time, Hungary became a national state because the Austrian-Hungarian Empire was a multinational state. Also at that time, after World War I, Czechoslovakia appeared for the first time as an independent state and the Transylvanian Romanians proclaimed their self-determination and the unification with the other historical Romanian provinces, thus establishing the new nation state.

From this point of view, we can understand the Romanians' emotions when the Hungarian irrendentists talk about their wish to review the Trianon Treaty. However, at the same time, we should also understand the feelings of the Hungarians, who were a dominant nation during the [Austrian-Hungarian] Empire and had more rights, and afterwards became a national minority. Certainly, this psychological shock is understandable. That is why this historical development is a source of emotion for both sides. I believe that a democratic approach to these problems—full rights and freedoms for all members of society, for all citizens, and the possibility of individual expression granted to various minorities—is the only way to find solutions to the problem. I believe that we now have the necessary framework, because the new constitution is the expression of all these new rights and possibilities. In practical terms, according to the policy that we promote—there were debates on it in the parliament—the principle of autonomy is applied in local administration, and this is stipulated by law. Last year, in February, we held local elections and, as a result, all minorities are represented in the local administration bodies. In certain areas, where Hungarians form the majority—there are two such counties—this minority is represented in the new local councils that were also elected last year. One can also find many mayors who are of Hungarian ethnicity.

However, as I have already emphasized, there are certain momentary political interests, brought about by current circumstances, and the issues of ethnic minorities are used in order to promote those interests. Some politicians in Hungary proclaim the principle of self-determination for minorities and the principle of ethnic autonomy. This would lead to a "Bantustanization" [Bantustanizare] of the organization system in the provinces. This is not possible, because we are talking about areas where Romanians, Hungarians, Germans, and others are living side by side. What does "ethnic self-determination" mean? First of all, it is incorrect as a principle. I am not talking about the fact that, in other countries, practices that we have in Romania are not even conceivable. In France for example, as far as the issue of German ethnics are concerned, you will not find an approach similar to our approach to national minorities, although there are a lot of Germans living there. Not even the issue of having their own schools has been raised, let alone the issue of universities in the German language....

[Sullivan] There are bilingual schools but there are no universities. As a matter of fact, I was interested in your answer on the Hungarian issue because they fear that "other Yugoslavias" might emerge in the area. What is your opinion on the possibility of the expansion of the conflict in Yugoslavia—this is my first question, and the second question is: How can we understand the position adopted by Romania on the issue of the navigation of Yugoslav barges on the Danube?

[Iliescu] In connection with the conflict in the former Yugoslavia: Certainly, it is a very dangerous source of tension in this area and we are concerned with finding peaceful solutions and also concerned about the economic consequences that affect us directly.

Yugoslavia used to be one of our best neighbors. Throughout history, we have never had a conflict with Yugoslavia and our economic relations were some of the best and represented a significant proportion of our total economic relations. However, now, the observance of the embargo affects us very much from an economic viewpoint.

However, as far as the conflict itself is concerned, solutions depend on developments within the former Yugoslavia and the way the international community approaches this issue. I believe that, currently, there is a greater understanding of the processes in the former Yugoslavia and a more realistic approach to those processes. I believe that if initially there had been a better understanding of the sources of those processes, with a more realistic approach to them both inside and outside Yugoslavia, maybe this conflict could have been prevented. For example, in the initial stages there was an idea of turning the federation into a confederation and, maybe, through this solution the development of the conflict could have been avoided, but...

[Sullivan] It is too late for that now.

[Iliescu] Yes. There was a very rigid attitude toward that idea, which created conditions for tension and start conflicts, first between Croatia and Serbia and then in Bosnia. As far as Bosnia is concerned, the Serbian leaders put the problem to the international community that it is very dangerous to promote the idea of a referendum there in connection with the issue of independence, because it is against the constitutional principles agreed upon in a consensus by the three communities. That was the constitutional basis for organizing the Republic, the basis on which the parliament, the government, and the other institutions were organized. They drew attention to the fact that, by departing from the principle of consensus of the three communities, conditions would be created for the outbreak of war in Bosnia. But this was not understood at that time. Now, certainly it is very difficult.... Therefore, I believe that there is a need for a much more realistic approach to these issues. With the assistance of the international community, realistic solutions can be found for each domestic problem in Bosnia, Macedonia, Kosova, and others. Thus, we could restrain, instead of expand, the sources of this conflict in that area.

In connection with the embargo, we have done everything possible to observe the decision of the United Nations, even if, for us, its consequences were very serious. In all issues connected with the traffic on the Danube River, we informed the European and international bodies and the Security Council, and each time we asked for the necessary assistance to be able an observe this embargo. As far as those barges are concerned, we did everything possible to stop them, however, we could not use fire....

[Sullivan] You mean you could not shoot.

[Iliescu] Yes, we would not be able to shoot and we are not interested in doing such a thing. I do not believe that there is anybody interested in triggering a war between us and Yugoslavia. Likewise, it is impossible not to take into consideration the fact that we cannot work independently on the two hydro-power stations at the Iron Gate on the Danube. We have only one source of water and all the technical elements are being used jointly. Any disturbance of the normal system of cooperation in exploiting these two energy producing units would have catastrophic effects. Thus, we should approach the issue very closely; no adventure is permitted on this issue. I believe that we have acted in the best way possible, according to the general interest in preserving a normal climate of cooperation at the hydro-technical units, while respecting the measures imposed by the United Nations.

[Sullivan] The problem is that there will be an increasing number of barges sailing on the Danube River....

[Iliescu] No, there are no more. They were stopped and they cannot cross to the other side of the Iron Gate dam, because there is only one sluice on the Romanian side that permits passage. Now, Yugoslavia is accusing us of not observing international rules, not respecting our commitments....

[Sullivan] Mr. President, we have gone through almost all the questions that I wanted to ask you. I would like to ask you one more question. In the few days since I arrived in this country, virtually every Romanian I have talked to —in the government, opposition, or people in the street—had one expression that they kept repeating and that was Romania's image. It seems to me that the people of your country are most displeased by the way in which they are understood by the rest of the world, by Western Europe and the United States. Do you share this concern and, if yes, what are the things that we do not understand about Romania and how could we correct the image of post-revolutionary Romania?

[Iliescu] The best way is to get to know realities, the way they are indeed. Many people I meet—politicians, businessmen, or journalists—notice, when they arrive in Romania, that the image of the country is different abroad and it differs from reality. People are even shocked by this difference. I believe that the source of this difference in image can be found primarily at home. Maybe this is one of our psychological weaknesses, the lack of understanding for the political struggle in our country. You will find—mainly in our press—a most critical attitude, but not critical, because criticism is a very good and necessary thing in social life, but violent....

[Sullivan] Yes, some articles were read to me and they are extremely violent....

[Iliescu] Journalists do not think about how these articles are reflected abroad. Many foreign journalists use the Romanian press as a source of inspiration. "If the Romanians say so" then "this should be true" foreigners say.... I believe that the best thing would be if more people came on visits here: politicians, businessmen, and journalists. We do not want our realities presented in a nicer way....

[Sullivan] Exaggerated....

[Iliescu] You should present realities the way they are, with our difficulties, with our limitations, and with our problems, because we are going through a very difficult period. The best is for you to get to know these realities and these difficulties better. You should see how the Romanians think, those who have great responsibilities as well as those in the opposition, or the common people. But you have to present them in a realistic manner, without being biased and without prejudice, otherwise it will be useful for nobody, and especially not for us.

[Sullivan] Yes, certainly. Thank you, Mr. President. You have been very kind to give me some of you time. I believe that your country is fascinating but also difficult to understand.

[Iliescu] Yes, that is right.

[Sullivan] ... A complicated psychology is also involved here which is connected with the 45 years spent....

[Iliescu] ... This is what people in general do not understand! Because we were talking about the fact that you had this impression that everybody is displeased by Romania's image, let me note something else. There is a position that is difficult to understand: Why is it that the United States and Western Europe were so generous with Ceausescu and his regime—even on the issue of granting most favored nation status—and why now, when Romania is achieving radical changes in its whole society, it is not assisted? Is it another country? Can you understand this thing? You visited Romania during the Ceausescu period and you can make a comparison. You can see changes everywhere, in the street and in people's way of thinking; nobody is encroached anymore; freedom of expression, demonstration, and organization is complete. Certainly, we are going through a very difficult period. But now, when we are making great efforts to change the face of society, why such a reserved attitude of discrimination toward Romania? We cannot understand it.

[Sullivan] I believe that the right answer would be that there are such great demands on our resources from Russia and all the other...

[Iliescu] Yes, I understand it; this is from the economic point of view, but what about the political point of view?

[Sullivan] From the political point of view I can give you only one answer by using an English saying: "A squeaking wheel gets the grease," and this is a thing that is very difficult to imagine.

[Iliescu] We do not know how to squeak... Thank you very much for your interest.

[Sullivan] We thank you, too, and we wish you success!

[Iliescu] Thank you.

Communists Mark RCP Founding Anniversary

AU0805174193 Bucharest ROMPRES in English 1541 GMT 8 May 93

[Text] Bucharest ROMPRES, 8/5/1993—Former dictator Nicolae Ceausescu's grave in Ghencea Cemetery, Bucharest, witnessed the celebration of the day of 8th May by a group of communism regretfuls gathered to commemorate the foundation of the Romanian Communist Party in 1921.

The participants were carrying red banners with the hammer-and-sickle emblem on them. They sang the anthem of the communist international and, in short speeches, evoked the personality of the late secretary general of the Romanian Communist Party (RCP), whom they called the "strong pillar of socialism, of the communist doctrine and of the country's independence." Gheorghe Ungureanu, a teacher from Curtea de Arges, chairman of the "Committee for the Honouring of the Memory of President Nicolae Ceausescu," explained that the Ghencea Cemetery had been chosen for the commemoration because "the symbol of 8th May coincides with the symbol of defending socialism, communism and the people's welfare, which the personality of Comrade Nicolae Ceausescu represented."

Heated debates started on the alleys around the grave, decorated with flowers and slogans like "Long Live 8 May—The Day of the RCP," between advocates of communism and visitors.

The Ghencea Cemetery gathering was organized by the "National Initiative Committee for the Establishment of the Communist Party," whose members distributed the onlookers registration forms bearing the hammer and the sickle as insignia, inviting them to join the new party. Marian Nita, member of the committee, told a ROMPRES editor that the new party would emerge onto the Romanian political scene this month and would carry on the former's activity "in only what was good of it." Asked about the new communist party's doctrine, he called it "Eurocommunism."

Ceremonies Mark World War II Anniversary

AU0905153193 Bucharest ROMPRES in English 1239 GMT 9 May 93

[Text] Bucharest ROMPRES, 9/5/1993—Wreaths were lain May 9 at the Memorial to the Unknown Soldier in the Bucharest Liberty Park, to mark the proclamation of Romania's state independence on May 9, 1877, and the victory of the united coalition in the Second World War, on May 9, 1945.

The ceremony included a short military parade to the tune of the national anthem and the anthem of the unknown hero. High officers, soldiers, foreign military attaches to Bucharest presented arms.

Flowers were lain from the presidency, Parliament, government, the Ministry of National Defence, the Ministry of the Interior, the Supreme Court of Justice, the capital's Prefecture and City Hall, cults, the diplomatic corps, political parties, a number of associations and organisations.

Similar ceremonies were held at the Triumphal Arch in Bucharest, the Academy of Military Studies, the Heroes' Memorial in the Cemetery of the Soviet Military, the Ghencea Military Cemetery, the Cemetery of the British Military at Tancabesti.

Serb Republic Officials Forbidden To Enter Serbia

LD0905222693 Belgrade TANJUG Domestic Service in Serbo-Croatian 2102 GMT 9 May 93

[Text] Belgrade, 9 May (TANJUG)—The president of the Serb Republic [in Bosnia-Herzegovina], vice presidents, all ministers, and all deputies were today forbidden to cross into Yugoslav territory at border crossings on bridges between the Serb Republic and Serbia, i.e. Yugoslavia. Biljana Plavsic, vice president of the Serb Republic, informed Politika Television of this tonight.

Plavsic, who telephoned the television station this evening, said that she had asked for a written notice or written instruction by the police at the border crossing. "The police gave me a piece of writing which I have summarized for you. They said they were sorry, but could not let me cross into the Yugoslav territory. I went back, and I do not need to explain to you now how I finally managed to cross the border. I crossed it, and I am now informing you about this tragedy, I can call it that," she added.

Bosnian Serbs Sign Accord on Safe Areas

LD0805133293 Belgrade TANJUG in English 1030 GMT 8 May 93

["Pool" item]

[Text] Belgrade, May 8 (TANJUG)—The commander of the Bosnian Serb army, General Ratko Mladic, early on Saturday signed an accord on the deployment of U.N. observers and troops in the areas of Zepa and Gorazde, two Moslem enclaves in eastern Bosnia, in keeping with U.N. Security Council Resolution 824.

However, the seven-hour talks on the implementation of U.N. Resolution 824, held at Sarajevo airport between highest representatives of the Bosnian Serb army, the Moslem forces and the United Nations Protection Force (UNPROFOR), failed to produce a signature on the accord of the Moslem commander, General Sefer Halilovic, according to foreign news agencies.

UNPROFOR Commander for Bosnia-Herzegovina, General Philippe Morillon, told journalists that General Halilovic did not sign the accord because he wanted first to review the document with Bosnian Moslem leader Alija Izetbegovic.

General Morillon said he hoped the Moslem side would also sign the agreement on the deployment of U.N. troops and observers in Zepa on Saturday and Gorazde on Sunday.

The UNPROFOR commander for Bosnia-Herzegovina said that General Mladic had also agreed that a corridor be opened for regular humanitarian deliveries to Zepa and Gorazde.

U.N. Resolution 824, adopted by the Security Council on Thursday, calls for the towns of Zepa, Gorazde, Tuzla (north-eastern Bosnia), Bihac (north-western Bosnia), and Sarajevo to be proclaimed safe areas, the same as Srebrenica (eastern Bosnia) had been earlier.

All the listed towns, except a part of Sarajevo, are held by Moslems.

Serbs Accuse NATO of Violating Bosnian No-Fly Zone

LD0905193693 Belgrade TANJUG in English 1857 GMT 9 May 93

[Text] Pale, May 9 (TANJUG)—The Bosnian Serb Army leadership on Sunday accused U.N.-controlled forces supervising a no-fly zone over war-shattered Bosnia-Herzegovina of violating the U.N. resolution banning flights over that former Yugoslav republic and of waging a psychological war against Bosnian Serbs by breaking the sound barrier over their settlements.

The Bosnian Serb Army Command on Sunday filed sharply-worded notes of protest with U.N. Secretary-General Butrus Butrus-Ghali, force commander of the U.N. Protection Force (UNPROFOR) in the former Yugoslavia Gen. Lars-Eric Wahlgren and UNPROFOR Commander for Bosnia Gen. Philippe Morillon.

Planes enforcing the NATO-led operation deny flight over Bosnia-Herzegovina break the sound barrier daily, on a well-organised and planned basis, over towns in the Bosnian Serb Republic, terrorising the civilians, which is outside the scope of their orders under Resolution 816 of the U.N. Security Council, the note said.

The planes do not engage in similar activities over towns held by Bosnian Moslems and Croats, which means that the U.N. forces have taken sides and become biased, and are using Resolution 816 as a screen for open aggression against one side (Serbs) to the Bosnian conflict, the Army command said.

The protest note emphasised that the U.N. forces' conduct deviated from that set down in Resolution 816 and that therefore it was necessary to either change the content of the resolution or the forces and their duties in its enforcement.

Last October, the U.N. Security Council adopted Resolution 781 closing Bosnian air-space to military flights. On March 31, it authorised NATO planes to use force against offenders in the no-fly zone.

The protest note went on to say that, by breaking the sound barrier, the NATO planes had caused vast material damage in Banja Luka, Drvar, Petrovac and the Serb sections of Sarajevo.

The Bosnian Serb Army Command also protested against the attitude of Gen. Wahlgren, who had dismissed all earlier Bosnian Serb protests against the

NATO planes' conduct with a shrug, explaining he was not the NATO Supreme Command.

The note said that Gen. Wahlgren, as the commander of the U.N. peace-keepers in the former Yugoslavia, and his command were, under Resolution 816, responsible for supervising the implementation of the document.

The Bosnian Serb side said in conclusion of its notes to Butrus- Ghali, Gen. Wahlgren and Gen. Morillon that it expected written guarantees that similar incidents would not be repeated in the future.

'Aggressor' Reportedly Not Observing Cease-Fire

AU1005091993

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 10 May carries in its regular 10-minute newscast several reports on fighting between Serbs and the Muslim forces. The newscast does not contain any reports on the Muslim-Croat clashes.

According to correspondent Semso Tusakovic, "there is nothing new on the Bosnian Kalinovik front. If one is to judge the situation by (?what happened) last night and this morning, the Chetniks care about to the cease-fire agreement signed by criminal Mladic in this region as much as they care about last year's snow. The criminals from Kalinovik pounded Mount Treskavica region all afternoon yesterday. They also burned down the Muslim villages of Vrhovina, Hreljici, [name indistinct], and Bojici." According to Tusakovic, "during the fierce fighting members of the 81st Brcko Brigade liquidated 11 Chetniks."

A Brcko correspondent reports that "the Serbo-Chetniks are not observing the cease-fire. They violated the cease-fire with the most impudent and dirtiest attacks between 1200 and 1800 [1000 and 1600 GMT] yesterday. Chetnik snipers were active for full six hours along the entire line of the front, particularly on the central part of the line. They opened fire on Dizdarusa, Omerbegovaca, and Bajici. In the evening they also opened fire from artillery from the direction of Suljagica Sokak and [name indistinct]. The aggressor fired 25 projectiles from recoilless guns on Licki Most and Rijeke."

A correspondent reporting from the zone of responsibility of the Bosna Operation Group says that "the aggressor seriously violated the cease-fire in [name indistinct] last night, when it opened strong fire on our defense positions. One member of the Army of Bosnia-Herzegovina from the Zavidovici commune was slightly wounded. A subversive-terrorist action was carried out on the railroad near (?Zeleca) after 2100. One of the two tracks was damaged."

According to a correspondent from Kladanj, "the aggressor violated the cease-fire on several occasions" in the Sekovici commune, around Stupari and Matijevici yesterday afternoon. He claims that "Chetniks opened fire from anti-aircraft guns and machine guns on our defense positions in the Vlasenica and Kladanj communes this morning."

A correspondent from Olovo reports that "the latest cease-fire agreement is not observed on the Olovo front. True, artillery attacks are subsiding, but the aggressor's weapons are still not quiet." According to him, "the town itself has been quiet since yesterday noon."

Izetbegovic on Cease-Fire, Mostar Situation

LD0905215893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 May 93

[Report on news conference given by Bosnia-Herzegovina Presidency President Alija Izetbegovic, including recorded segments of Izetbegovic remarks; place and date not given]

[Text] [Reporter] In response to the cease-fire agreement and the latest developments in Herzegovina, President of the Bosnia-Herzegovina Presidency Alija Izetbegovic has given a news conference. In his introduction, Alija Izetbegovic stressed that our forces will respect the cease-fire. He added:

[Izetbegovic] Of course it is too early to draw any conclusions; the cease-fire has been in place for just three hours. We are closely observing developments in the field and our command will issue daily reports about the implementation of the cease-fire.

I have been informed that the other side claimed yesterday that 15,158 Serbs had been arrested in Sarajevo. I am confident that there are not even 58 imprisoned Serbs, and those have been arrested because of criminal acts. The Ministry of Internal Affairs issued an official statement about this yesterday or late last night and I support this denial too. I also want to make a political statement: That is not our policy; Bosnia is also a Serb state and Sarajevo is a Serb city too. They [Bosnian Serbs] will never force us to behave as they do.

[Reporter] Asked about events in Herzegovina, President Izetbegovic said:

[Izetbegovic] Reports that we have been receiving from this area are contradictory. It seems that clashes are in progress in Mostar and that the situation there is particularly alarming. We have received reports about arrests of Muslim men. Men have been rounded up at the local stadium, children and women have been taken to the other bank of the Neretva river. We have been receiving some really shocking reports. This morning I talked to President Tudjman and he promised that he would use his influence to calm the situation in Mostar. We will carefully observe developments in Mostar and try to help in easing the situation.

[Reporter] The next question referred to the reasons for signing the cease-fire agreement.

[Izetbegovic] We are trying to stop the war, the combat activities, and the resulting suffering of the population as soon as possible. We are searching for a political solution for Bosnia-Herzegovina. We have found the political solution in the Vance-Owen plan; we opted for such a solution. We believe that it will finally be accepted, in this or that way. We believe that another victim, another death, injury, or another destroyed house are unnecessary in such a situation. This should be prevented at all costs while we are awaiting a political solution.

I would like to stress our commitment to the plan. In it we see the affirmation, i.e. the salvation of the state of Bosnia-Herzegovina. At the same time we see certain hesitations regarding the plan in the other two sides, including even the Croat side. The Croat side, I am referring to Boban's delegation, has begun accusing the Bosnian government of not being sincere about the Vance-Owen plan. On the contrary, we have seen signs that they are not in favor of the plan. I therefore feel that I need to reaffirm our commitment to the Vance-Owen plan, and our readiness to implement it immediately, to the extent that is possible. We are ready to begin forming the provinces of Mostar and Travnik, and others in free territories. Of course, this would be accompanied by the formation of joint commands of the Bosnia-Herzegovina Army and the Croatian Defense Council, on which we have already reached an agreement in principle and a specific agreement.

[Reporter] Discussing the international community's stand following the refusal by the so-called assembly of the Serb nation to sign the Vance-Owen plan, Alija Izetbegovic said that this is the well-known hesitation to act by European governments, but added that he hopes that the U.S. stand on solving the Bosnia-Herzegovina issue will prevail. He continued:

[Izetbegovic] The third side will soon sign this document, or air strikes will follow, or the Bosnian Government will be given arms. One of these three things will happen.

[Reporter] Journalists wanted to know whether there are guarantees from the international community for such claims. Mr. Izetbegovic declined to answer, while stressing that these are our own political estimates. Commenting on a statement by Foreign Minister Haris Silajdzic that the blue helmets have a certain impact on a more effective defense of Bosnia-Herzegovina, Alija Izetbegovic said:

[Izetbegovic] If the presence of the blue helmets here is an obstacle to a military intervention—we mean from the air, not ground troops—if they are an obstacle, and if we have to choose between a military intervention and the presence of the blue helmets, we will choose the military intervention. This is the government's policy which was established earlier, and the foreign minister's statement is in line with that policy.

U.S. Role in Peace Process Viewed

AU1005111093 Split NEDJELJNA DALMACIJA in Serbo-Croatian 5 May 93 p 5

[Commentary by Tihomil Radja: "Pax Americana"]

[Text] As soon as the United States sneezed loudly Karadzic took fright and signed the Vance-Owen peace plan. Clinton, for his part, has become more serious about the whole thing and is now requiring that words be transformed into deeds and not into sentences, as has been the case so far. It will no longer be possible to negotiate and shoot at the same time because the Americans have aimed their weapons at greater-Serbian guns. Between the U.S. "full scale" war and the European "laissez faire," there is enough space for a "high-tech bombing." The agenda for the fateful May session of the "Assembly of the Serbian Republic of Bosnia-Herzegovina" was dropped from the air, too. The greater-Serbian supporters of the "all or nothing" policy are close to "nothing." The skilled tactician Milosevic immediately realized the omen of this choice and declared the Chetnik La Passionaria Mrs. Biljana Plavsic "a case for hospital treatment" just before the negotiations in Athens started. As if the prophecies of the "Croatian" Frenchman Marc Gjidara [name as published] were coming true. Two years ago he prophesied that the last war in the former Yugoslavia would be waged between the Serbs and "greater-Serbs."

Naturally, it would be better if this did not happen, because military conflicts among the Serbs would make the peace process in Bosnia-Herzegovina even more complicated than it is at the moment owing to the latest conflicts between the Muslims and the Croats. It has to be said that a true or a false acceptance of the Vance-Owen peace plan is the easier part of the task for all parties to the conflict. Much more important for materializing the plan are new political leaders for all three parties, especially for the Serbs. Peace cannot be built by those who insanely believe that weapons can solve all political problems. Threatening with stronger weapons can significantly help find just political solutions for everybody. "Pax Americana" in the former Yugoslavia is based on the global U.S. strategy toward Eastern Europe, in which local tactical wanderings and the fait accompli policy are not acceptable.

In contrast to Western Europe, which has perfected Pilate's policy of "washing hands," Clinton's United States has at last realized that the acceptance of the precedent of "aggression that is worth the trouble" could endanger the stability of the whole region of the former communist states, including Russia. Bush's administration made a mistake in leaving the problem of the former Yugoslavia to the European Community because it ignored the law on connected vessels between the Balkans and the rest of Eastern Europe. Milosevic and Karadzic made an even bigger mistake by frivolously hoping that they would make an international "coalition of the Orthodox religion" based on "Serbian spite."

What they really wanted was to mantle large-scale communism and nationalistic chauvinism into Orthodoxy, equally trying to prevent the democratization of Serbia and Russia; all this accompanied by the danger arising from their access to atomic weapons. Clinton realized this on time and returned to Truman's doctrine of the "containment" of any kind of aggression. The United States could not have allowed Bush's failed "new world order" to be replaced by Milosevic's challenge.

The United States could not have idly followed the new European "Realpolitik" any longer because it would have led to the destruction of Europe itself in the end. Europe is a bad loser of the latest "Balkan wars" because it has lost credibility both in the second half of the continent as well as with its own infuriated people. The present Western European political class is probably the least capable the old continent can remember in its thousand- year history. By practicing the politics of "constantly retreating" from the aggressor, contemporary Europe has postponed its togetherness for decades. Returning to the obsolete political schemes from the last century, European diplomacy proved to be the "silk stocking," whose contents Napoleon threw into the face of Talleyrand. The statement made by Jacques Poos two years ago sounds miserable today because he said, "If anything, the European Community is ready to intervene successfully in the former Yugoslavia!" For the third time already this century, the United States has proved to be the "last chance" and the "last resort" of Europe....

The question whether the United States is capable of solving the Balkan problem still remains open. After it received the mandate at the Congress of Berlin in 1878, the Hapsburg Monarchy succeeded in bringing Bosnia to peace and in regulating the political life of the three constituent communities in Bosnia-Herzegovina. The supporters of a greater-Serbia did not accept the Europeanization of Bosnia-Herzegovina, which in Sarajevo released the spark of the war in 1914. The United States was given a similar mandate by the UN, but the pacification of Bosnia-Herzegovina today is much more difficult than in those times. Too much blood has been shed, the hatred is too great, the feelings of revenge too deeply rooted in the minds of those who have survived. There are too many weapons in the hands of lunatics. Kant's rule, by which the warring parties must not engage in such animosities that could destroy the chance for a future peace, has been disobeyed. There are still two remedies: The first is to punish criminals of war, and the second is to exchange the guns and Balkan musical instruments for a spade and hoe.

There is also a third remedy—that both Serbia and Croatia accept a democratic and decentralized Bosnia-Herzegovina without any reserve. Although deficient and incomplete, the Vance-Owen peace plan still offers a basis for a future state, under the condition that it is implemented more decisively than in Croatia. Anyway, the implementation of the one conditions the materialization of the other. This is a strong reason for the official Croatian policy to stop its harmful political wanderings and ambiguities toward Bosnia-Herzegovina. "The headquarters" of Bosnian politics must not be in Belgrade and Zagreb any longer. Milosevic's Serbia will have more difficulties in accepting the new politics in Bosnia-Herzegovina than Tudjman's Croatia. It has to be said, though, that laws are changed out of necessity, and Serbia and the Serbs will more easily forget Milosevic than their own future.... Neither the United States nor Western Europe "are conspiring" against Serbia and the Serbs; they are just against the greater-Serbian aggression not only in Bosnia-Herzegovina and Croatia, but in the whole Balkans.

Waiting for the new moves of the United States, Western Europe is still searching for a common denominator for an intervention in Bosnia-Herzegovina as if it had learned nothing from the whole story. This is perhaps the reason why the U.S. aircraft carrier "Theodore Roosevelt" stopped all communications in the Adriatic with the French "Clemenceau" and the British "Ark Royal." If things go from bad to worse, the United States can also intervene by itself. The United States sneezed, but it should not remain at this level because sneezing is a pleasure for the weak and poor, and not for the rich and mighty.

Serb Assembly Agrees on Questions for Referendum

LD0905184593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1812 GMT 9 May 93

[Text] Zvornik, 9 May (TANJUG)—Two questions which will appear on the ballot in the referendum scheduled for 15-16 May have been agreed at an extraordinary session of the Serb Republic Assembly today.

The first question will deal with the Vance-Owen plan and the second with opinions on independence and the right of the Serb Republic to unite with other nations and states if the Vance-Owen plan fails, a TANJUG correspondent was told this evening by Serb Republic Assembly President Momcilo Krajisnik.

The deputies' club of the Serb Republic Assembly held a session in Zvornik to summarize the results of the 30th session of the Serb Republic Assembly in Pale. This was followed, according to the deputies' decision, by an extraordinary Assembly session that focused on the upcoming referendum of the people in the Serb Republic.

"Seeing that a dilemma has arisen in connection with the possibility of the Vance-Owen plan failing, we divided the question to remove all uncertainties concerning the Serb Republic in that case. If the Vance-Owen plan fails, the Serb Republic will have independence, with the right to unite with other republics and nations," the president of the Serb Republic Assembly stressed.

Morillon Cautiously Optimistic on Latest Cease-Fire

LD0805223593 Paris France-Inter Radio Network in French 2200 GMT 8 May 93

[Excerpt] A cease-fire agreement was reached in the middle of the evening in Bosnia. It is scheduled to take effect Sunday midday Paris time. The agreement was signed earlier in Sarajevo by Sefer Halilovic, commander in chief of the armed forces of Bosnia-Herzegovina, and General Mladic, leader of the Bosnian Serbs. It remains to be seen how much currency this new cease-fire will have. The others only held a few days, or several hours. This time General Morillon, the leader of the blue berets deployed in Bosnia, is confident.

[Begin Morillon recording] This cease-fire accord has been a sign of progress, by putting out trouble spots one after the other. I think that we have put out the trouble spot of Srebrenica. This is definite, but we will now put out the trouble spot of Zepa. UNPROFOR forces will be deployed tomorrow in Zepa. And then, this accord has been reached at the end of the third face-to-face meeting with me by the two commanders in chief. This is product of 30 hours, 30 hours of negotiations, as we started on 7 May at 1000 and we have just concluded this evening at 2200.

I think that it has been well thought out. It is accompanied by an agreement for Zepa and Srebrenica, which satisfies the presidency of Bosnia-Herzegovina; therefore, it has been accompanied by a joint press declaration by the two commanders in chief, [based] on their good will, and their will to pursue the peace process. This is clearly good news.

However, let us not get overly enthusiastic. Its continuation depends on their good will. They have said that it exists. Let us wait for the coming days to see it is followed by actions. [end recording] [passage omitted]

Boban Sends Letter to Butrus-Ghali on Muslim Attacks

LD0805001393 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 7 May 93

[Text] As the Muslim aggression against the Croatian people in some areas of Bosnia-Herzegovina historically populated by Croats is escalating, Mate Boban, president of the Croatian community of Herceg-Bosna, sent a letter to UN Secretary General Butrus-Ghali informing him that the Muslims, by rejecting the peace plan, have been implementing the idea of setting up a unitary Muslim-orientated state.

The letter says that the Muslim forces have since 16 April been preventing all international factors, UNPROFOR [UN Protection Force], the EC, and the UNHCR from touring the Jablanica and Konjic municipalities and establishing facts despite agreements reached by the main commanders of the two armies. On the other hand, the letter goes on to say, the Croatian side has secured access to all villages controlled by the Croatian Defense Council in which the UNPROFOR and the EC established at the very spot that Muslim allegations were not true.

We are calling on you to immediately and inevitably charge the Muslim side with releasing several hundred imprisoned Croats including political officials, priests, and nuns from prisons in Zenica, Konjic, Celebic, [word indistinct], Ovcari, [word indistinct], Ostrozac, and elsewhere until Tuesday, 11 May. Croats should be allowed to move freely on the territory of Zenica, Konjic, and Jablanica. Urgent access to the occupied areas of the Konjic and Jablanica municipalities is sought in order to bury the dead and take the wounded and diseased to hospitals. Brutal treatment of the population ought to stop, destruction of material equipment should cease, and all military attacks should immediately be halted, the letter sent by Mate Boban to Butrus Butrus-Ghali says.

Croat Soldiers Arrested, Forced To Join Bosnian Army

LD0805193193 Zagreb HTV Television in Serbo-Croatian 1730 GMT 8 May 93

[Excerpts] Four Croatians were killed in Zenica last night. Muslim formations have continued torching the Croatian village of Cajdas. In a telephone conversation, Colnel Dario Kordic told us that more than 400 members of the Croatian Defence Council [HVO] have been arrested and are now being tortured into joining Muslim formations. Kordic added that the Muslim formations have engaged in fresh regrouping, and we are expecting renewed attacks on Busovaca tomorrow, Kordic said.

This evening we are able to show a new video report from the Croatian area of Neretvica in the municipality of Konjic, where Muslim formations have killed scores of civilians and have turned the area into a Croatian Srebrenica. Several thousand Croatians have been encircled. Neretvica can be reached from the direction of Jablanica over this suspension bridge in Ostrozac. [Video shows the bridge, damaged houses] All roads up to this bridge are controlled by Muslim formations from Jablanica and Konjic. The video report can show you all the bestiality of fighting: many houses have been burned down. This is Kostajnica, which is a symbol of resistance to the Muslim aggression: There are many Croatian refugees here from 20 Croatian villages, ethnically cleansed by Halilovic's fighters. [passage omitted]

Five Croatians were massacred in the village of Klis today. In Konjic seven Croatian civilians sustained injuries, while three others were killed. The massacre is continuing. [passage omitted]

Muslims Keep '15,158' Serbs Hostage in Sarajevo

LD0805161793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1338 GMT 8 May 93

[Text] Belgrade, 8 May (TANJUG)—The Chief Command of the Serbian Republic Army today issued a statement saying that 15,158 Serbs have been arrested in Sarajevo so far. These Serbs are being kept hostage by Muslims in cellars throughout the city.

In the statement, which was submitted to TANJUG, the chief command is claiming that the orders for the arrest of Serbian citizens were issued by [Bosnia's] Sefer Halilovic.

The hostages are being used to blackmail the UN Protection Force [UNPROFOR] and toward the evacuation of Muslims from Zepa and Srebrenica, while at the same time preventing the disarmament of Muslim military formations in these areas.

The chief command of the Serbian Republic Army also says that this insane act—the work of the well-known extremist from Sandzak—is aimed at jeopardizing the implementation of the agreement on the demilitarization of Srebrenica, and at circumventing UN Security Council Resolution 824 regarding the creation of safe havens in former Bosnia-Herzegovina under UN protection. This is yet another confirmation, the command says in the statement, that fanatics in the Muslim military-political leadership are not interested in any form of peaceful solution to the crisis in former Bosnia-Herzegovina, and that they will do anything to bring about military intervention.

Muslims Attack Croat Villages, Positions in Central Bosnia

LD0805104493 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 8 May 93

[Text] Muslim forces attacked the Prozor area last night and this morning, HINA reports.

The Bosnia-Herzegovina army opened fire on the Croatian Defense Council [HVO] positions and on the villages of Uzdol and Kucani from antiair and infantry weapons.

Muslim forces launched an infantry attack on villages in Donja Rama from Her in the Konjic municipality this morning. HVO halted this attack, following which Muslims launched an artillery attack on Donja Rama and Uzdol.

Developments in Attacks Against Muslims in Konjic

Joint Serb-Croat Attacks

LD0805201393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 8 May 93

[Report by Borka Rudic from Konjic]

[Excerpts] The command of the northern Herzegovina operational group issued a statement today, saying that Chetniks and the Croatian Defense Council [HVO] forces launched a fierce artillery attack on the villages of Orahovica and Idbar from their strongholds in the Zabrdje and Ljubina areas. According to the statement, the situation in the Neretvica Valley is also very complex, and the HVO forces, backed by Chetniks, launched an artillery attack on the village of Lipicici. Last night the Muslim village of Gorica was completely burned down.

In the Jablanica area HVO tanks and recoilless guns are constantly shelling the Jablanica hydroelectric power plant and the defense lines of the town of Jablanica. [passage omitted]

Nothing has been learned about the fate of the 11 members of a delegation from Tuzla region arrested by HVO members in the village of Drecelj several days ago, even though their release was promised during the Halilovic-Petkovic negotiations. According to the statement of the Northern Herzegovina operational group, 50 civilians were arrested by the HVO in the same village yesterday. They were on their way through Drecelj aboard a bus and three passenger cars.

Croat Leader Reassures Konjic Croatians

LD0805212893 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 8 May 93

[Text] The president of the Croatian Community of Herceg-Bosna today sent a letter of support to the Croatian people in the municipality of Konjic. The letter says:

We are resolved to defend every Croatian, all areas populated by Croatians, and all rights of the Croatian people, from all those who are trying to evict us from our centuries-old homes. In a letter sent to United Nations Secretary General Butrus Butrus-Ghali, all international institutions, and the cochairmen of the conference on former Yugoslavia, we demand that the following obligations be carried out by the Muslim side by Tuesday, 11 May:

They should release several thousand Croatian POW's, including Croatian political officials, priests, and nuns, from Muslim prisons in Zenica, Konjic, Celebici, Ovcari, Podvrazac, Ostrozac, Tarcin, and elsewhere;

to enable free movement for Croatians between Zenica, Konjic, and Jablanica and vice versa;

to urgently secure access to the occupied municipalities of Konjic and Jablanica in order to bury the dead, and to provide for the wounded, diseased, and infirm;

to stop maltreating the civilian population, destroying material goods, and to immediately halt all attacks.

Croatian Planes Attack Muslim Positions

LD0905123693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1118 GMT 9 May 93

[Text] Belgrade, 9 May (TANJUG)—The command of the northern Herzegovina operations group of the Muslim army reported today that the Air Force of the Republic of Croatia heavily bombed positions of the Muslim army and villages around Konjic at about 0320 this morning, Muslim Sarajevo Radio announced today.

The same source claimed that several large bombs [krmace] were dropped from the planes and that the consequences in the Konjic area were catastrophic.

The Muslim army command for northern Herzegovina also claimed—reported Sarajevo Radio—that a motorized column consisting of about 100 vehicles carrying strong forces from the Republic of Croatia was moving toward the Konjic area. This was yet another confirmation, the Muslim command said, of the "open aggression of the Republic of Croatia against the Republic of Bosnia-Herzegovina," and the world public should be told about it.

Croat Denial of Bombing

LD0905163293 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 9 May 93

[Text] The main headquarters of the Croatian Defense Council in Mostar has strongly denied the news carried by Sarajevo radio and Serb media that Croatian aircraft have bombed Konjic.

Muslim-Croat Clashes in Mostar Detailed

EC Reports Croat Attack

AU0905173593 Paris AFP in English 1717 GMT 9 May 93

[Report by Peter Mackler]

[Text] Zenica, Bosnia-Herzegovina, May 9 (AFP)—Croat forces attacked Moslem troops in the southern city of Mostar on Sunday as the two nominal allies continued fighting despite a ceasefire between Moslems and Serbs, European Community monitors said.

They also reported new Moslem-Croat battles around the town of Konjic to the north and said Croats appeared to be moving in on the strategic city of Jablanica west of Konjic.

The fighting appears to be part of a Croat drive to chase Moslems from an area that would be Croat-controlled under an internationally brokered peace plan for Bosnia-Herzegovina, E.C. and U.N. officials said.

The violence was not covered by a ceasefire that took effect Sunday between forces of the Moslem-led Bosnian government and the Serbs who control 70 percent of the former Yugoslav republic's territory.

E.C. monitors said forces of the Croats' HVO army attacked Moslem positions in Mostar around dawn Sunday, and artillery duels as well as machine-gun and small-arms fire were reported in the city.

Few other details were available on the fighting in Mostar, which had already been under partial Croat control, said the monitors based in this central Bosnian town.

They said HVO troops were moving against Konjic from the northeast and Jablanica from the west in an apparent push to ethnically "cleanse" the northern third of the proposed province which is still predominantly Moslem.

Mostar, Jablanica and Konjic lie on a strategic road that runs north and bends east towards Sarajevo, the capital of the Moslem-led Bosnian government.

Jablanica has added strategic importance as it is situated on a key crossroads and is near a major dam that supplies electricity to Mostar and southern Croatia.

The Croats and the Moslem-led forces have been trying to form a joint command against the Serbs, but have fought on and off between themselves since October.

Fierce fighting between the two sides raged for 10 days last month in central Bosnia, particularly around the town of Vitez, before a ceasefire took hold.

But E.C. and U.N. officials said the area was still extremely tense and reported a stepped-up murderous campaign of "ethnic cleansing" by Croats around Vitez and the town of Kiseljak to the southeast.

They said Moslems were engaged in ethnic cleansing of Croats to a lesser degree in the villages around Zenica, a Moslem stronghold.

Fighting Continues Despite Cease-Fire

AU1005094793 Paris AFP in English 0901 GMT 10 May 93

[Text] Zagreb, May 10 (AFP)—Croat forces were fighting Moslem troops Monday for the control of the central Bosnian-Herzegovina city of Mostar, despite the day-old ceasefire holding in the rest of the country, Croatian television reported.

The television service, which is known for reporting the Bosnian Croat forces' (HVO) version of events, blamed Moslem troops for resuming the battle for Mostar.

The U.N. Protection Force (UNPROFOR) accused the HVO of starting the fighting Sunday which, according to the Croatian news agency HINA, left eight people dead and 27 wounded.

UNPROFOR has called on the Croatian government to "intervene immediately" to stop the fighting.

Spanish UNPROFOR troops were prevented from entering Mostar by the HVO Sunday, a U.N. spokesman has said.

In Sarajevo, a ceasefire declared Sunday between Bosnian Serb and Moslem forces was reported Monday to be holding well throughout the country.

Army Command Issues Statement

AU1005113593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 10 May 93

[Text] The Command of the Fourth Corps has issued the following statement for the public following the resumption of the work of War Radio of Studio Mostar:

Citizens of Mostar and Herzegovina, at 0450 yesterday, units of the Croatian Army and Croatian Defense Council launched at attack (?on) the positions and (?units) of the Army of Bosnia-Herzegovina in Mostar with all types of weapons. You must be clear that the aim of the attack is to take control of the general region of Mostar and to rout the units of the Army of Bosnia-Herzegovina in Mostar and the surrounding area.

The aim of the policy of conquest of the leadership of the so-called Croatian Community of Herceg-Bosna is clear. This aim is to destroy the units of the Army of Bosnia-Herzegovina and the republican Ministry of Internal Affairs of Mostar, (?and thus) behead and leave without protection the Muslim people, and all other people who want to live in the free Republic of Bosnia-Herzegovina. This would be followed by the ethnic cleansing of the town and the detention of the civilians in stadiums, of the (?Pinochet) type.

Esteemed citizens, you witnessed yourself the fascist methods used yesterday against the citizens of Mostar. The international court for the investigation of war crimes against civilians and military personnel will have a lot of work dealing with yesterday's conduct of the Croatian Army and the Croatian Defense Council and the leaders of the so-called Croatian Community of Herceg-Bosna.

Despite the enormous concentration of the Croatian Army from Rijeka, Split, Metkovic, and other towns from the Republic of Croatia and numerous units of the Croatian Defense Council, our forces are firmly holding their positions. We have captured several very important facilities in the town and destroyed several [word indistinct] strongholds and the aggressor's weapons.

We have broken the media blockade of the world despite the attempts to prevent us from addressing the public. The world has learned the truth about the fascist policy of the leadership of the so-called Croatian Community of Herceg-Bosna. The world has learned the truth about the lies, the detention of the innocent population in stadiums, [words indistinct] several citizens without any reason, and numerous crimes committed by the Croatian Army, the Croatian Defense Council, and the current leadership of the so-called Croatian Community of Herceg-Bosna.

We appeal to the population to go to shelters. We are ordering all members of the Army of Bosnia-Herzegovina of Muslim nationality, and we are inviting other citizens, regardless of religion and nationality, to immediately (?report) to the Army of Bosnia-Herzegovina [words indistinct] under the command of the Army of Bosnia-Herzegovina in the struggle for a unified Republic of Bosnia-Herzegovina.

We particularly demand that the representatives of the International Red Cross immediately bring (?with) the help of UNPROFOR vehicles equipment for blood transfusions and equipment for determining blood groups [words indistinct] for wounded soldiers. [words indistinct] all hospitals [words indistinct] and transformed them into so-called military hospitals of the Croatian Defense Council and [words indistinct). The Army of Bosnia- Herzegovina therefore [passage indistinct] in the republic.

The captured members of the Croatian Army will address you later today via the War Radio of Studio Mostar.

Clashes Force UNPROFOR Withdrawal

LD0905194093 Belgrade TANJUG in English 1903 GMT 9 May 93

[Text] Belgrade, May 9 (TANJUG)—The United Nations Protection Force (UNPROFOR) on Sunday pulled out of Mostar and withdrew to near-by mountains because of heavy street fighting between Moslems and Croats in that central Herzegovina town.

Fierce fighting between hitherto nominal allies in the war against Bosnian Serbs began on Sunday morning. The two sides accused each other of having started the conflict.

Mostar—which had been proclaimed the centre of the Croat state of Herceg-Bosna—has so far had joint Croat-Moslem authorities.

Three Bosnian Croat soldiers and a civilian were killed and another 13 soldiers and two civilians were wounded in the clashes in Mostar, said the Bosnian Croat Army (HVO) Medical Corps Command.

The current developments in Mostar are "a climax of the plan prepared on April 19, when Moslem units were ordered to attack the HVO and Croats in Mostar," the HVO said in a statement.

The latest clashes between Bosnian Croats and Moslems in Mostar show that there has been a "disintegration of the joint Moslem-Croat command," the ASSOCIATED PRESS news agency quoted UNPROFOR official in Sarajevo Barry Frewer as saying.

Over the past two months, Bosnian Croats and Moslems have been engaged in fierce mutual clashes over territories with mixed Moslem-Croat population, which constitutes a violation of the Vance-Owen peace agreement which both sides have signed.

Bosnian Croats are carrying out ethnic cleansing in the part of Mostar on the right bank of the River Neretva, the Moslem Army Command in Mostar said in a statement quoted by Moslem-controlled Sarajevo Radio. It added that Moslem families were being expelled, men arrested and taken to the city stadium.

The Moslem Army Command called on all Moslems and citizens of other nationalities in Mostar to abandon HVO units at once and join the Moslem Army.

UNPROFOR Requests Zagreb Intervention

LD0905213393 Belgrade TANJUG in English 2052 GMT 9 May 93

[Text] Belgrade, May 9 (TANJUG)—General Lars-Eric Wahlgren, who commands the U.N. Protection Force (UNPROFOR) in former Yugoslavia, on Sunday requested Zagreb authorities to take urgent and concrete action to end fighting between Croats and Moslems in Mostar, in neighbouring Bosnia-Herzegovina.

Gen. Wahlgren addressed his request to the Croatian president and defence minister, expressing deep disquiet at the Sunday assault on Mostar by the Bosnian Croat Army, said a statement released by the UNPROFOR office in Zagreb and quoted by world news agencies.

Bosnian Croats and Moslems, who started the Bosnian war as nominal allies against the local Serbs, have been clashing fiercely for the past two months for supremacy in territories with mixed Croat-Moslem populations.

UNPROFOR officials said that 10 busloads of civilians, mainly women and children, escorted by Croat troops, had left Mostar on Sunday, with Croat-Moslem battles raging in the city.

The UNPROFOR statement did not specify the nationality of the about 400 civilians on the buses but, on the strength of the fact that the statement said that the United Nations had on a number of occasions condemned the practice of forcible resettlement of minority groups in the civil war in Bosnia, REUTERS speculates that the civilians were Moslems.

REUTERS quotes UNPROFOR sources to the effect that the civilians had first been rounded up and held at the city football stadium.

The UNPROFOR statement stressed that U.N. observers were endeavouring to ascertain the present whereabouts of the buses and learn more about the exodus.

The Moslem-controlled Radio Sarajevo, quoted by the AGENCE FRANCE PRESSE, said Moslem fighters had captured Croatian troops and would turn them over to UNPROFOR as irrefutable proof that neighbouring Croatia is involved in the aggression on Bosnia-Herzegovina.

The radio said two MIG-21 fighters of the Croatian Air Force had heavily bombed Moslem positions and settlements around Konjic in the night between Saturday and Sunday.

'Ethnic Cleansing' Reported

LD0905180893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 May 93

[Text] The street fighting in Mostar, which is still in progress, started around 1000 this morning. It was caused by attacks by units from the Croatian Defense Council and the regular Croatian Army against units and facilities of the Bosnia-Herzegovina Army and the Republican Ministry of Internal Affairs. Entire families are being evicted from the villages of Bijeli Brijeg, Paljevina, Lipovina, Zahum, and elsewhere, while men are being taken to the Velez football stadium, says a statement by the Mostar-based headquarters of the Bosnia-Herzegovina Army.

The statement says that the ethnic cleansing of the right bank of the Neretva River is under way. At the same time, Mostar radio broadcast an untrue story reporting that members of the Bosnia-Herzegovina Army allegedly carried out an attack on the Tihomir Misic barracks in Mostar, the northern barracks. All actions, including the arrests of able-bodied men and the eviction of families from their centuries-old homes, speak of yet another genocidal decision by the government of the so-called Croatian Community of Herceg-Bosna.

The command of the Fourth Corps is calling on all patriots and citizens of Mostar not to leave their homes. It is also calling on all patriotic citizens to join in the active defense of Mostar, while Muslims and citizens of other nationalities are called on to immediately leave the Croatian Defense Council and join the nearest Bosnia-Herzegovina Army unit.

Croat 'Continuous Aggression'

LD0905182693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 May 93

[Excerpt] We have just received the latest report from Mostar.

[Reporter] The Croatian Defense Council [HVO] and the Army of the Republic of Croatia have been launching continuous aggression against Mostar since 0450 this morning. Fighters of the famous 41st Mostar Brigade captured a few members of the Croatian Army and handed them over to the UN Protection Force [UNPROFOR] as an undeniable proof that the Republic of Croatia is directly involved in the aggression against the Republic of Bosnia-Herzegovina.

The HVO has not allowed UNPROFOR to enter the town since members of UNPROFOR mysteriously disappeared from the town last night.

The HVO and the Croatian Army are using all available weapons in a well-planned action aiming at destroying, disarming, or driving out the Army of the Republic of Bosnia-Herzegovina and the Ministry of Internal Affairs of the Republic of Bosnia-Herzegovina, and thus removing the last obstacle to establishing the Croatian Community of Herceg-Bosna as a state within state.

Mostar is being pounded from HVO positions with tanks, mortars, antiaircraft guns, antiaircraft machine-guns, and in the afternoon with artillery as well. Many houses and vehicles are on fire. HVO shells have hit a building sheltering the wounded of Bosnia-Herzegovina's army and Ministry of Internal Affairs. They also hit an ambulance, killing a nurse.

Fierce street fighting is in progress. Units of Bosnia-Herzegovina's army and Ministry of Internal Affairs have taken the initiative, and while defending their positions they have taken control of more town districts.

HVO units have not established direct contact with the Bosnia-Herzegovina Army's command. Miljenko Lasic, commander of the HVO's Mostar operative zone, and Mostar HVO President Jadran Topic issued this morning issued a surrender ultimatum to the Bosnia-Herzegovina Army, the Ministry of Internal Affairs, and the Muslims. The ultimatum was broadcast on Mostar radio, which is using the blockade of Bosnia-Herzegovina's media to spead numerous lies. The ultimatum expired at 1030, but the army's forces have not surrendered; on the contrary, they have actively defended themselves against the joint aggression by the Croatian Army and the HVO. The command of the Bosnia-Herzegovina Army's 4th Corps today informed the public in Mostar and elsewhere that they are successfully holding their positions and defending the freedom of Mostar in the sovereign and independent Republic of Bosnia-Herzegovina.

Calls on HVO members not to take part in the aggression, and on all those who care for the interests of Mostar and Bosnia-Herzegovina to join units of the Bosnia-Herzegovina Army have already yielded results. The entire former 5th Battalion of the HVO has joined the famous 41st Mostar Brigade, as has the 8th Blagaj Battalion. Many Croat fighters have distanced themselves from the order of their command and the genocidal attacks on the Muslim nation. [passage omitted]

'Many Civilians Killed'

LD0905171093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1600 GMT 9 May 93

[Text] We start this bulletin with a report from the Mostar press center.

[Reporter] At 0505 this morning the Croatian Defense Council [HVO] and the Croatian Army launched an attack on Muslim civilian and military targets. The command building of the 4th Corps of the Bosnia-Herzegovina Army was attacked. The transmitter of the Bosnia-Herzegovina radio's studio Mostar was destroyed and neighboring residential buildings were set on fire.

The HVO's southeastern Herzegovina operational zone issued an ultimatum to members of the Bosnia-Herzegovina army to surrender by 1030 or face an intense artillery attack. This threat has been carried out and all buildings in the city are under artillery fire. Mostar is blocked and the fire brigade and ambulances have been prevented from reaching the buildings on fire. Herceg-Bosna radio is continually broadcasting lies.

According to incomplete reports, many Muslim civilians have been killed but we do not have a report on the exact death toll. The UN Protection Force has not been allowed to enter the city. [passage indistinct]

Street Fighting in Progress

LD0905121193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 9 May 93

[Text] We have just received a report on the situation in Mostar: An all-out attack on units of the Bosnia-Herzegovina army, its facilities, and on the civilian population in the town of Mostar began at 0450 hours this morning. [passage indistinct] Croatian army units are firing from tanks, antiaircraft guns, recoilless guns, and other weapons on positions of the Bosnia-Herzegovina army. At the same time, Muslims are being evicted from their homes on the right bank of the Neretva River. The Ustashe Mostar radio station broadcast at 0600 hours a report saying that the Croatian Defense Council began an all-out coordinated action in Mostar and its vicinity. Bosnia-Herzegovina army units have been put on full alert [words indistinct] and street fighting is in progress.

Initial reports speak of a number of killed and wounded. The command of the Fourth Corps in Mostar is calling on all citizens of Mostar, all those who [words indistinct] to put up resistance and fight the savage Ustashe [word indistinct], and we are appealing to the world public on behalf of the entire Republic of Bosnia-Herzegovina with a message that Muslims are being detained [passage indistinct].

It is clear that a genocidal decision is at work here to evict the Muslims from the right to the left bank [of the Neretva River].

The Command of the Fourth Corps.

Bosnian Army Attacks HVO Barracks

LD0905073593 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 9 May 93

[Text] Shortly before 0500 hours, members of the Bosnia-Herzegovina Army attacked the Tihomir Misic barracks of the Croatian Defense Council [HVO] in Mostar. The attack was followed by sniper fire in a number of city districts. At about 0800 hours, small-arms and heavy artillery fire reverberated around Mostar. There has been no information yet on any victims.

Muslim 'Terror' Against Croats Continues in Zenica

LD0805121793 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 8 May 93

[Excerpt] Here is Slavko Rako reporting for Croatian radio from Herzegovina: According to information disclosed by the command of the central Bosnia operational zone, the terror waged against Croats in Zenica is continuing. One wounded soldier from the Zepca 101st brigade of the Croatian Defense Council was turned back at a check-point near Zenica.

According to the same source, Croats held captives in Zenica have been deprived of food and have not been allowed to leave the town for days. Many of them are kept in the local jail and the music school. Four Croats were killed in the Zenica area last night.

The central Bosnia operational zone command stresses that members of the seventh Muslim brigade, MOS for short, which is led by Efendija Karajlic, have committed the most crimes against Croats.

Muslim forces are regrouping around Busovaca. Croat homes in occupied villages were set ablaze last night. [passage omitted]

UN Spokesman Says Town of Zepa Virtually Deserted

AU1005104093 Paris AFP in English 1011 GMT 10 May 93

[Text] Sarajevo, May 10 (AFP)—A team of U.N. military observers has found the eastern Bosnian town of Zepa virtually deserted, with most of its houses wrecked and burnt, a United Nations Protection Force (UNPROFOR) spokesman said Monday.

The five observers entered Zepa, which the U.N. Security Council declared a "safe area" last week, on Sunday evening to find only some 50 residents of the estimated 25,000 population, said Commander Barry Frewer.

The rest of Zepa's Moslem residents and refugees are presumed to have taken refuge in the mountains and caves during last week's heavy bombardment by Bosnian Serb forces.

The U.N. team found ten corpses in a mosque, and some wounded. Frewer said he had no information how the persons had died, but the wounded did not require immediate evacuation.

The observers are due to meet Monday with representatives of the Serb and Moslem forces to demarcate the frontline and agree on evacuation corridors and communications as part of the "safe area" procedures.

While Zepa, which lies at the bottom of an inaccessible valley, was quiet, the team heard sounds of sporadic artillery fire in the region, Frewer reported.

Zepa, Gorazde Reportedly Attacked Despite Cease-Fire

LD0905125793 Zagreb Radio Croatia Network in English 1205 GMT 9 May 93

[Excerpts] The latest cease-fire for Bosnia-Herzegovina officially went into effect at noon today. [passage omitted]

Latest reports from the Bosnian battlefront indicate it has not come into effect yet. According to ham radio operators in Zepa, this Muslim enclave continues to be pounded by all available weaponry. Serb forces are carrying out their attack from three sides. There are reports of heavy casualties and the 40,000 desperate residents remain without food or medicine.

The Gorazde region is also being (?attacked) by artillery fire. Serbs are opening tank fire on the road used by U.N. relief convoys to enter the town.

Tudjman Urges Izetbegovic To Help End Clashes

LD1005120293 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 10 May 93

[Text] Extremely upset and concerned about the latest escalation of the conflict between Croats and Muslims in certain parts of Bosnia-Herzegovina, Croatian President Franjo Tudjman sent Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and Mate Boban, president of the Croatian community of Herceg-Bosna, the following message:

Following substantial and open talks the night of 24 and 25 April in Zagreb, you signed a joint statement on the settlement of disagreements between Croats and Muslims and the creation of joint commands of the Bosnia-Herzegovina army and the Croatian Defense Council, which was also signed by Genaral Halilovic and General Petkovic, both under your command.

President Tudjman stresses that he cosigned the agreement as a witness in the presence of cochairman of the Conference on Former Yugoslavia David Owen.

In the first few days following the signing of the statement, conflicts really died out. But recently, they have again started assuming worrying proportions, which, if continued, can lead to tragic consequences for both nations and be useful only to the Serb aggressor. To prevent further conflicts, Croatia has since then taken certain steps:

First, the Croatian Assembly sent a multiparty parliamentary delegation to Bosnia-Herzegovina, but it has not yet been allowed to visit the crisis areas.

Second, President Tudjman's message stresses, in the course of his recent visit to Turkey, an agreement was reached to send a joint Turkish-Croatian governmental delegation to Bosnia-Herzegovina as a goodwill mission to work toward the cessation of hostilities and the regaining of trust in the next few days.

Third, the message says, the Croatian president yesterday reached an agreement with Sefko Omerbasic, the president of the council of elders of the Islamic community for Croatia and Slovenia, to have the latter go to Bosnia-Herzegovina with a group of Croatian officials, also tasked with working toward the restoration of peace and cooperation between Croats and Muslims.

In his message to Izetbegovic and Boban, President Tudjman also recalls agreements on the cooperation between Croatia and Bosnia- Herzegovina signed in Zagreb on 21 July last year and in New York on 21 September 1992, in which the two nations coordinated stands in their struggle against the common aggressor, helped by the former Yugoslav People's Army.

I am most sharply condemning armed clashes between Croats and Muslims in Bosnia-Herzegovina irrespective of who caused them, President Tudjman stresses, calling on Izetbegovic and Boban to do everything to stop the conflicts, to secure cooperation between Muslim and Croatian armed formations, that is the Bosnia-Herzegovina Army and the Croatian Defense Council, in their joint struggle against the Serb aggressor, and the creation of conditions for the successful implementation of peacemaking operations by the international community.

President Tudjman is particularly calling on all Muslims who were offered protection and safe havens in Croatia during the aggression against Bosnia-Herzegovina, to influence their compatriots to refrain from clashing with Croats and to cooperate. He is also calling on all Croats in Bosnia-Herzegovina not to give in to provocations and to do everything to avoid that harmful conflict. I am again calling on you to immediately order all your commanders and units to halt all conflicts without fail and to start cooperation in the spirit of the signed agreements and statements, President Tudjman's message to Alija Izetbegovic and Mate Boban says in conclusion.

NATO Overflights Reportedly Causing 'Panic'

LD0705144393 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 7 May 93

[Excerpts] Vladimir Seks, deputy prime minister of Croatia and president of the state commission for UNPROFOR [UN Protection Force], has sent two letters to General Lars-Eric Wahlgren, head of the UNPROFOR mission. [passage omitted]

In his other letter Vladimir Seks writes about foreign military planes flying over the Croatian territory. It says, inter alia: Following the analysis of the foreign military planes operations in the air space of the Republic of Croatia I find it necessary to inform you about the complexity of the traffic in the Croatian airspace, particularly since the agreements regarding corridors, altitude, and breaking the sound barrier over cities have been violated in the last few days, so that flights have been unsafe. Breaking the sound barrier over Zadar, Biograd, Sibenik, Supetar and other cities is a particularly important problem, since it causes panic among the population. We would like you to consider the possibilities of safe air traffic from all airports in Croatia, to define a corridor for NATO flights and flights to Italy, and to prohibit breaking of the sound barrier over cities and populated areas in the Republic of Croatia, Vladimir Seks's letter to General Lars-Eric Wahlgren says in its conclusion.

RSK President Urges Clinton Against Military Intervention

LD0805170993 Belgrade TANJUG in English 1444 GMT 8 May 93

["Pool" item]

[Text] Belgrade, May 8 (TANJUG)—Goran Hadzic, president of the U.N.-protected Republic of Serb Krajina (R.S.K.), has appealed to U.S. President Bill Clinton to give up the idea of military intervention and eradication of the Serb people in war-ravaged Bosnia-Herzegovina.

In a letter, a copy of which was submitted to TANJUG on Saturday, Hadzic said that such an act would put the United States on the side of the enemies of humanity of the First and Second World Wars, who had practiced genocide against the Serbian nation.

President Clinton and his administration are urging foreign military intervention in the civil war in Bosnia-Herzegovina raging among local Moslems, Serbs and Croats, which would entail selective air strikes against Bosnian Serb positions and military aid to Bosnian Moslems.

Hadzic said in the letter that Moslems and Croats had been on the side of the Axis powers in World War One and had between them killed one-third of the population of Serbia.

In World War Two, Hitler set up the independent state of Croatia, whose Moslems and Croats murdered at least 1.2 million Serbs, 700,000 of whom in the Jasenovac Ustasha (Croatian Fascist) death camp alone, said Hadzic.

Injustice came to the Serbs also from the allies, who in 1944 bombed towns in Serbia and not in Croatia, where Croatian and German Nazi forces were operating together, said Hadzic.

He said that, even after the war, in Yugoslavia's post-war communist regime of Josip Broz Tito, it had been again mainly Serbs who had perished in the special Goli Otok concentration camp and who had been moved from their ancestral land in Croatia and Bosnia-Herzegovina for resettlement elsewhere. He blamed the western democratic world for having kept quiet about it.

If it had not been for all this, Serbs would today be the most numerous ethnic community in the former Yugoslav Republics of Bosnia-Herzegovina and Croatia, Hadzic said and asked if weapons should again be used to force the Serbs to live with those with whom they obviously could not.

Krajina Serbs Claim Croats Launched Further Attacks

AU0905143493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 9 May 93

[Danko Peric report]

[Excerpt] The Croatian force opened tank and mortar fire on the positions of the Krajina forces in Gornje Biljane, Donje Biljane, (?Kosa), and the villages near Pridraga and Novigrad on the north Dalmatian front. The Krajina airspace was violated seven times in the last 24 hours.

Increased sea and land traffic of the Croatian Army has been noticed near Posedarje. This was stated by the headquarters of the Serbian Krajina Army. Krajina forces responded to enemy fire. The positions of the Krajina defense are stable and are being adjusted on a daily basis to possible attacks, the same source states. [passage omitted]

Albanian President Berisha Arrives in Zagreb

LD1005115793 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 10 May 93

[Text] Albanian President Sali Berisha arrived on a one-day visit to our country at about noon. He was accompanied by Fatos Bitincka, minister of transport and communications, and by Artan Hoxa, minister of trade and foreign economic relations. The Albanian state delegation was greeted at Zagreb Airport by Croatian Prime Minister Nikica Valentic, Foreign Minister Zdenko Skrabalo, Zagreb's Mayor Branko Miksa, and other officials.

Afterwards the Albanian delegation, headed by President Berisha, went to the Presidential Palace, where talks will be held with Franjo Tudjman, president of the Republic of Croatia.

President Appoints New Consulates, Consuls General

LD0705165993 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 7 May 93

[Text] Croatian President Dr. Franjo Tudjman approved a decision on setting up a consulate of the Republic of Croatia in Israel with its seat in Haifa. The consular area will cover the entire State of Israel. The Croatian president also approved a decision on setting up a consulate of the Republic of Croatia in the Federal Republic of Germany with its seat in Mainz. The consular area will cover the city of Mainz, it was announced by the President's office.

The president of the republic issued a decree appointing Dan Baram as honorary consul of the Republic of Croatia in Haifa, Israel, and Jonel Fuks as honorary consul of the Republic of Croatia in Mainz, Germany.

The Croatian president also signed a decree appointing Jerko Vukas as consul general of the Republic of Croatia in Melbourne, Australia, and a decree appointing Vjekoslav Karlovcan as consul general of the Republic of Croatia in Perth, Australia.

Vojvodina Croats Moving to Croatia

93BA0908A Zagreb VJESNIK in Serbo-Croatian 5 Apr 93 p 7

[HINA article: "From a Farm to Shacks"]

[Text] *People under pressure often emigrate to Croatia blindly, without knowing what the houses are like that Serbs want to exchange, and many only attempt an exchange after emigrating, says Josip Soric, who also emphasizes the difficulties with their status in Croatia.*

Zagreb—The emigration of Croats from Vojvodina is becoming a more widespread phenomenon every day, especially with the Serbian authorities' recent intensification of pressures for emigration. The basic problem for the approximately 35,000 exiled and refugee Vojvodina Croats, which is how many of them have come to Croatia since the fall of 1991, is becoming the exchange of their property and the definition of their status in Croatia after their arrival, according to Josip Soric, secretary of the Community of Refugee and Exiled Croats From Vojvodina.

According to the data that the Community has, so far about 5,000 households have exchanged their property, but as many as 30 percent of the exiles and refugees from Vojvodina are still waiting for an exchange, since among the immigrants there are workers and small peasants for whose modest property it is more difficult to find a suitable exchange. "All those exchanges were accompanied by numerous difficulties and carried out under very strong pressure, and in some cases formerly wealthy Srijem or Backa peasants were completely impoverished," stated Soric, who emphasized that 4 million German marks in foreign exchange savings alone were left in Serbian banks.

"The Serbs come to our houses with a picture of their houses and send us to remote places. Their villages are a wasteland compared to our smallest ones, which all have telephones, electricity, and running water," he stated. People often emigrate to Croatia blindly, without knowing what the houses are like that the Serbs want to exchange, and many of them only attempt an exchange after immigrating, which was frequently the case with the first immigrations and the families driven out by physical coercion.

In Western Slavonia and the Drava basin, in exchange for huge houses and sometimes 50 hectares of land apiece in Vojvodina, they only receive a house with much less land of poorer quality, with minimal machinery compared to what was left on the Vojvodina properties, where it was normal to have three tractors apiece. A great deal of land was left for which they did not receive anything at all, because the Serbs did not have that much land in Croatia. There have also been cases of the exchange of houses in the Rijeka region and 20 kilometers away from the sea, but which the people from Vojvodina took thinking that they would engage in tourism. "Some of them became social welfare cases that way," Soric maintained. He commented that with an exchange, at least part of the value of what was left behind was kept, whereas a sale completely devalued it.

"The Serbs did not let us take our agricultural machinery out of Serbia, and the same thing happened to Croats who were private entrepreneurs, who were left without machines and capital, with vehicles already confiscated previously for the needs of the Serbian army," he said.

After the exchange, problems occurred in acquiring rights to the exchanged property and the transportation of personal effects, for which customs duties have to be paid for bringing them into Croatia, while property bought after 7 October 1991 cannot be brought in at all. What happened, Soric claims, was that exiles were already housed in some of those houses, and the Vojvodina Croats were often accused of driving out Croatian exiles. Soric denied those claims, emphasizing that there had not been a case or a single court order in favor of people from Vojvodina for the exiles to move out; they could only be satisfied with part of the space in the new owner's house.

"The Community does not engage in exchanges, and it only offers legal assistance and advice, so that someone will not accuse us later on of emigration from Vojvodina, which we cannot prevent," Soric stated. The Community of Refugee and Exiled Croats From Vojvodina in Zagreb was founded on 27 December in Zagreb's Dubrava as a nonparty organization with the principally humanitarian task of offering assistance to the increasingly larger number of Vojvodina Croatian refugees, as well as to those left in Vojvodina, by stating the truth about the ethnic cleansing of Vojvodina to international organizations for the protection of human rights, which which numerous contacts have been established. The collection of documentation on Serbia's state terror is under way, and it will be delivered to the UN commission for identifying war crimes in the former Yugoslavia.

With the arrival of the first large wave of refugees in the fall and winter of 1991, the Community dealt with lodging them, mostly with families who had emigrated from Vojvodina during the past 30 years. For that reason, Soric claimed, there are no exiled people from Vojvodina in the hotels and few of them with yellow cards, which they only use for a few months until they obtain a residence permit.

About 8,000 residence permits have also been processed and issued through the Community, and that organized presentation of applications has also made it possible to expedite settlement of the basic status of Vojvodina Croats in Croatia, which still troubles many people when they find themselves in Croatia without the documents necessary for issuing a residence permit. Many of them would have to go back to Vojvodina, to which there is no return, and even if they risked their lives that does not mean that they will get them. In fact, a long time ago the Serbian authorities confiscated the birth registries in many towns and took them to the municipality.

One has to wait up to six months for the transfer of a pension from Serbia to Croatia. For that reason, the Vojvodina Croats are sent to the Social Welfare Center, which is the biggest punishment for someone from Vojvodina. Difficulties are also occurring in recognizing work service, school diplomas.... An additional problem is the Hungarians, some of whom came from Vojvodina to Croatia along with the Croats. Soric explained that they, assimilated in Croatian enclaves, had forgotten the Hungarian language.

"For a year now, we have been waiting to have the issue of the Croatian exiles from Vojvodina come before a meeting of the government, so that the currently very difficult position of the immigrants, because of the complete lack of the adjustment of Croatian laws to their needs, could be eased at least a little," Soric stated. All the legal problems of the immigrants are being solved in the absence of legal regulations, as very slow and difficult cases. "So far we have not been able to exchange property with Serbs, except for those who have a residence permit, but from all indications that law will be changed, and the Serbs will be able to control their property in Croatia, but only in an exchange. We are cooperating with the Ministry of Administration and Justice, and now the Foreign Ministry is establishing a department for dealing with minorities, especially the Croatian minority in Vojvodina, and an attempt to protect the remaining ones."

The Community's representatives, Soric said, were guests at the Croatian Republic's first Conference of Exiles last week in Osijek, and were accepted as permanent observers, and at the next session they will become permanent participants. There are great similarities between the interests of the exiled Vojvodina Croats and those of the Conference of Exiles, he emphasized, especially on the issue of returning to the areas of Slavonia and Baranja. "We are particularly interested in those areas, since in their climate and way of life they are most similar to Vojvodina," Soric claimed, adding that those who had remained in Vojvodina for the time being would have already come to those parts of Croatia.

Government Anti-Inflation Measures

93BA0934A Zagreb VJESNIK in Serbo-Croatian 10 Apr 93 p 7

[Article by Ivo Jakovljevic: "Finances in War: Surviving Without Inflation—Since When and How"]

[Text] *Faced with successive waves of price hikes, the Valentic government has only three options: an orthodox anti-inflation policy, shock therapy, and resignation. Which of these can it choose today?*

To the prosaic question of how to live (or survive) amid ever-higher prices for everything, an ever-increasing number of people in Croatia are responding with the same "it's impossible!" Thus, it is clearly no coincidence, not only under pressure from the increasingly difficult social situation in the country, but also assuming an increasingly impending complete end to the war (and the establishment of Croatian legal order in the entire state territory) that the Croatian Government has lately, as we have learned, been drawing up imminent anti-inflation measures for several scenarios of war and/or peace in the extended post-Yugoslav region.

In each of these scenarios, a halt to the inflationary merry-go-round is counted on, either through one effective shock, suddenly and for a lengthy, stable period, or through the gradual curbing of wage increases, in order to work around to a more or less tolerable rate of price increases over the next six or 12 months, for example a rate of no more than 8, 10 or 15 percent. But even in that case, the same prosaic question must be posed: Can the majority of people in Croatia live (or survive) today even without inflation? It is likely that the majority of Croatian citizens would also respond to that question with the same "it's impossible!" as they would to the aforementioned, completely opposite question. With a high rate and a low rate, and even with zero inflation, as long as the war continues mere existence is an increasingly hard-to-solve set of everyday equations for the majority of citizens.

Chronic Instead of Hyperinflation

Over the last three years, the Croatian Government, despite the frequent changes in the names of ministers, has managed to avoid the continuously threatening flareup of hyperinflation, whereby the Croatian economy is a sort of exception to the standard historical pattern, according to which wars and profound political changes are accompanied by an unstoppable explosion of prices throughout the domestic market. Indeed, back in the days of total Serbian aggression, in the fall of 1991, the Croatian Government managed to cope with swollen defense expenditures and with hard-to-anticipate outlay for exiles and refugees, without going over to a war economy.

But instead of hyperinflation (which according to economist Phillip Cagan is present once the growth of retail prices surpasses a monthly rate of 50 percent), Croatia has experienced chronically high inflation for a full two and a half years now, which means a monthly rate of price increases in the range of 10 to 35 percent. This latest Croatian case thus confirms Pazos's definition, according to which chronic inflation differs from hyperinflation in that it is not measured by months, but rather lasts much longer, being expressed with medium intensity. A similar type of inflation has been or still is experienced by many Latin American countries, such as Argentina, Chile, Uruguay, Brazil, Paraguay, or Mexico. The majority of people and nearly all institutions, and thus all segments of the market as well, adapt to this sort of chronic inflation with relative success (especially with the help of the so-called price indexing mechanism, when all prices and wages are usually harmonized with the trend in the nominal rate of the domestic currency if it floats freely on the market).

In recent days, however, the Valentic government has received orders from President Tudjman himself, who emphasized in his Missive that "inflation must be stopped" and this through "consistent retrenchment" and "if necessary, through additional measures as well," in such a way "that it falls to a one-digit percentage by the end of this year." The president of the republic noted that "only in this way can we achieve a stable and convertible currency," from which the timing of a series of subsequent monetary moves by the government itself can be assessed, pursuant to which there should first be a gradual lowering of inflation, after which the domestic convertability of the dinar would be established, and only then a final, stratified economic-political intervention, and the transition to a new Croatian currency. It is in this same direction that the Valentic government has lately been urged by IMF missionaries and World Bank analysts, who are vigilantly watching economic and financial trends in Croatia, regardless of all the current wartime limitations.

Orthodox or Shock Therapy

The practical experience of many countries from the 20th century indicates that orthodox and heterodox, i.e., shock measures are possible against both hyperinflation and chronically high inflation. The orthodox anti-inflation policy relies on a gradual approach in curbing inflation, and on maintaining the market method of establishing almost all prices and rates in the national economy. With this approach, the measures affect only public and personal consumption (by indexing wages and budget expenditures), and a restrictive monetary policy means a reduction in the amount of money printed. This approach is successful most of all in countries not at war, and in those that have a developed capital market and all other contemporary market institutions. It is recommended—if all the previous conditions are met—in the event of chronically high inflation or a growth in prices of between 10 and 40 percent.

However, the heterodox scenario—better known under the "code name" shock therapy—is usually applied against hyperinflation. Through this collection of standardized measures, high inflationary expectations are neutralized "over night," thus cutting inflation back to a minimum over a period of 10 to 30 days, and thus without detrimental effects on the rate of economic growth or on employment. In order to achieve these goals through one shock, anti-inflation measures consist of a major devaluation of the national currency, the rate of which is then fixed according to the selected "basket" of convertible currencies or only one of them. However, they also consist of a restriction on the money supply, with the stipulation of a realistic-positive discount rate by the Central Bank and a freeze on wages and prices in the public sector, all of this for a period of three or six months.

Believing, Doubting, or Giving Up

The experience of all Latin American countries that have faced chronically high inflation over the past 30 years has shown that when they decide to slash inflation, governments are most often thwarted by "a lack of credibility among the public at large" (Pazos), since the citizens grow accustomed to chronic inflation, so that the majority believes that scarcely any government attempt can succeed, or that after a brief "public performance" everything will continue as it was.

For that reason, most economists today recommend shock therapy for chronically high inflation too, regardless of whether the country in question has a developed capital market, whether it is socialist or post-socialist, developed or backward! It is probable that nothing else could be recommended to the Croatian Government today, since the majority of citizens still feel that under the current war conditions the Valentic government cannot do without inflation, as one of the sure mechanisms for collecting additional (inflationary) taxes to finance defense spending. But can Valentic's team in fact succeed in this? Specifically, will it even be possible to live (or survive) in Croatia after the possible curbing of inflation and its reduction to a minimum level in only 15 or 30 days after the onset of shock therapy?

If Croatia does not get at least half a billion dollars in fresh capital from abroad in the interim, and if for some reason the situation of both war and peace continues until summer, will the curbing of chronic inflation through shock not weaken Croatian defensive strength as early as in May, for example, or even leave a large number of exiles and refugees without any assistance? Will this sort of price shock now provoke an even stronger social counterblow against the government, jeopardizing Croatia's internal political stability?

There is a long list of similar questions, but to each and every one of them, without exception, there is only one pragmatic response: As long as the war continues and as long as Croatia is a highest-risk zone for foreign capital, the Croatian Government will have to proceed cautiously with even the best of the available packages of anti-inflation measures. Shock therapy would be most acceptable if peace could be stabilized in all of Croatian territory by the beginning of May. The orthodox policy of gradually curbing chronic inflation would be useful if the road to a stable peace were extended to midsummer, together with the first installments of foreign capital.

But one thing is certain: The Croatian Government can resort to any of these measures only in direct dependence on the inflow of fresh money from abroad, either from the IMF and World Bank or from other international financial institutions or government funds, or even from private investors (among whom Croat emigres would most likely predominate). It is most probable that all of 1993 will be spent in this pragmatic, ongoing discovery of the least expensive passage between Scylla and Charybdis, a year that will serve as the transitional and economically most difficult year on Croatia's road from a socialist economy to a market-based one.

Dependency Upon International 'Oligarchy'

93BA0912B Split SLOBODNA DALMACIJA in Serbo-Croatian 13 Apr 93 pp 6-7

[Article by Srecko Jurdana: "Vance and Owen Rule Croatia"]

[Text] Lord Owen encouraged the "Maslenica operation," but he also determined its scope. By entering Obrovac and Benkovac, Croatia exceeded that scope, and the international arbiters ordered its withdrawal. The operation could have ended with the complete destruction of the Serbs in the Knin zone if the Croatian authorities had not behaved in accordance with the directives from the international arbiters. The same scenario (Carrington, Vance, Owen, and the forces behind them) of suspending the liberation of the Croatian areas has been applied everywhere that Croatia has threatened Serbia with military defeat.

The rhetorical media offensive by official Croatian policy is proportional to its military retreat. The Croatian withdrawal in the face of the combined assaults by the Serbian army and the Serbian international assistants has been accompanied by orchestrated television and newspaper assurances to the Croatian public that everything that is happening, even if it is no longer a "triumph of Croatian reason," then is at least a clear strategic benefit for Croatia, because the world, as we can often hear, "has once again recognized who is not in favor of peace in this region." This implies that the "world" is also in favor of peace, and only Serbia is against it, and so because of that belligerence, one day—and perhaps even earlier—Serbia will be faced with serious consequences, provided that in the meantime Croatia shows enough patience and "does not give in to provocations."

The Cyprus Solution

This kind of logic has been sold—like a pig in a poke—to the Croatian public for almost three full years. It constitutes the domestic political and psychological basis through which the Croatian leadership justifies the termination of all initiatives in the course of the war: the halt in the attack against the JNA [Yugoslav People's Army] barracks (through the "truce" in Igalo in 1991), by which Serbia received weapons from Croatia as a gift and time to organize its own army; the termination of the breakthrough toward Vukovar (and the peaceful observation of how the Serbs—after a "humanitarian convoy" came and left—literally annihilated the city's population); the termination of the western Slavonia offensive (in the fall of 1991) immediately before the liberation of Okucani (after which the Serbs reoccupied most of the positions they had lost in Psunj and Papuk); the successively repeated avoidance of the liberation of Knin, even though military possibilities existed for it; the termination of the Dubrovnik offensive (in the summer of 1992) immediately before the complete liberation of Konoval and Prevlaka (the Serbian army withdrew from Prevlaka afterward, only in exchange for a Croatian withdrawal from the Bosnian Sava basin); the successively repeated avoidance of the conquest of Trebinje and Nevesinje (as significant negotiating points in any potential peace talks); the accelerated withdrawal from the suburbs of Beli Manastir (after a glorious assault by the Croatian forces and the virtual liberation of Baranja in the summer of 1992); and the withdrawal from Miljevac. And so on, up until the latest withdrawal—logical and expected for some, and astounding for others, despite everything—from the area liberated in the "Maslenica operation."

Croatia's general retreat is not only displayed through interrupted initiatives and withdrawals from areas already liberated. It is also characterized by masochistic patience and inferiority in negotiations. The population of numerous Croatian cities—Osijek, Slavonski Brod, Zadar, Sibenik, and others—has been or is being forced to suffer Serbian artillery strikes without the right to elementary defense. "Not giving in to provocations" is, as we have said, the daily slogan of the Croatian authorities in this war.

The policy which that slogan reflects is being continued, even though its sole profit to date for Croatia has been the evident "Cyprus solution," i.e., the amputation of a third of Croatian state territory, which has been carried out by the UN forces under the mandate that has just been extended. UNPROFOR [UN Protection Force], presented at one time as Croatia's savior, is functioning as the guardian of the Serbian areas, under whose supervision Croats are being killed and expelled. At one time, in the negotiations over UNPROFOR's deployment, the Croatian authorities did not even display the credibility necessary to ensure the arrival of some other army, and precisely not the Russian army, on the most sensitive Croatian border—the eastern Slavonia one—or to ensure Serbian reciprocity in withdrawing from the "pink zones" (it is less well-known to the public that with UNPROFOR's arrival, the Croatian army withdrew from certain areas, for example the Novska UNPA [UN Protected Area], completely unilaterally).

The World Is Saving Serbia

What is actually going on? What is the meaning of this policy? These are questions that Croatian citizens—many of them in a state of psychological confusion—are asking almost daily, and to which they are not receiving any concrete answers except the generalized and well-known ones: "not giving in to provocations." In the meantime, while crafty Croatia is not giving in to provocations, prosaic Serbia—the same one that the world is allegedly punishing for its belligerence—is precisely establishing a new state, the product of genocide against non-Serbs—in the occupied areas of Bosnia (the Vance-Owen "peace" plan), openly announcing a political merger with the occupied areas on Croatia. Really, what is the meaning of this policy?

With respect to the "Maslenica operation," after the latest steps by the Croatian authorities, it is not hard to elaborate its meaning. The operation, as those who followed the events are aware, was encouraged by Lord Owen, who at the same time determined its scope. By entering abandoned Obrovac and Benkovac, Croatia exceeded that scope, and the international arbiters ordered it to withdraw, after which the Serbs took the artillery weapons, consolidated themselves, and began to hit Croatian coastal cities. In view of these facts, the operation could have concluded with a convincing Croatian victory, and the complete destruction of the Serbs in the Knin zone, if the Croatian authorities had not acted in accordance with guidelines or directives from the international arbiters. With the Croatian withdrawal in the Maslenica zone, the status quo ante was reestablished, regardless of several hundred casualties on the Croatian side. This, of course, is not the first time that a group of international arbiters (Carrington, Vance, Owen, and the forces behind them) have suspended the liberation of Croatian territories. The same scenario—an international directive to Croatia to withdraw—was also applied in the case of Vukovar, and on the Dubrovnik battlefield, and in Bosnia, and virtually everywhere that Croatia threatened Serbia with a military defeat.

In that way, the international arbiters—from the first day of the Serbian attack—have also functioned as the operational commanders of the Croatian defense forces, and as a determinant of the Croatian national strategy. They pushed the Croatian authorities into the Maslenica operation for two tactical reasons: ensuring a victory in the parish elections for the group currently in power, and creating a feeling of insecurity among the Serbs. These reasons are understandable in light of the general strategy of destabilization that international forces—England and France, with assistance from the Anglophile group in the U.S. Administration—are applying throughout the entire area of the former Yugoslavia.

Europe as Lebanon

The war (or genocide) that Serbia has been conducting against Croatia and Bosnia for three years now is only a visible form of the undeclared war that England and France have been conducting against Germany, or England against continental Europe. Britain interpreted the fact of German unification and the possibility that a new, strong Germany might become the economic backbone for the unification and development of all of continental Europe as a strategic challenge to its own imperial tradition (and to what is still left of it today). What is Britain's role, with a strong Europe that has sprung up on the basis of the German economy? That is why the process of German unification, as a catalyst for overall European development, had to be countered in some way, and the best way of all was by causing a genocidal war in the heart of Europe by exploiting the old Serbian desire for territorial expansion to the western side of the Drina and the Danube, while killing along the way as many Croats and Muslims as possible. With Germany's reunification, England, together with Germany's old rival France, started to destroy Yugoslavia and create a war zone, using as a direct lever for the war the Anglophile group in the previous U.S. administration (Baker's visit to Belgrade).

Naturally, France today is not headed by De Gaulle, who saw a prospect for European stability in the Paris-Bonn (De Gaulle-Adenauer) axis. There are no more great historical figures. Those in power are usurers, depopulators, representatives of perverted world views, who—playing geopolitics—have enjoyed for years the genocide for which they trained a pack of Serbian psychiatrists. Those organizers and consumers of genocide, immediately at the start of the Serbian attack, took care of having the favorites of the Anglo-Saxon oligarchy, who would guide events toward a long-term conflict, appointed as the arbiters. The war's strategic goal is not Serbia's victory, but rather the long-term destabilization of the entire region, through which Germany and Europe are kept in check. In that regard, it was of paramount importance to create a Lebanon paradigm.

In the initial phase of the war, Croatia—on several occasions—had an opportunity for a clear military victory over Serbia. With Serbia's rapid military defeat, the entire scenario of European destabilization would have collapsed, and consequently Croatia was stopped in time in every one of its military initiatives, through strong diplomatic pressures. Furthermore, it was necessary to ensure absolute influence in Croatia precisely for a group displaying a chronic willingness to yield to those diplomatic pressures. For that purpose a campaign of attacks against the Croatian "right wing" is being used, accusations of "fascism" and "Ustasism," as well as openly pushing Croatia into an undefined military adventure like Maslenica, which will display one recognizably obedient group in a somewhat more prestigious light prior to the elections.

It was also of equal strategic importance to cause open warfare between the Croats and Muslims, thus diluting the international recognition of Serbia as the exclusive aggressor, and shifting the entire matter to the area of military and political relativism of the Lebanese type. The destruction of the military alliance between the Croats and Muslims was a complicated intelligence job, which had specific features on both sides. The final intelligence operation in this regard, however, is represented by the Vance-Owen plan from Geneva, by which the Croatian side was set a relatively transparent trap and which had as a direct consequence several thousand casualties on the Croatian and Muslim sides.

The strategic concept of European-German destabilization is being developed not only through Serbian genocide, but also in other ways, such as encouraging "regional tendencies" throughout Europe, destroying the concept of a national state as a whole, putting numerous developing countries in complete economic dependence upon supranational oligarchic institutions like the World Bank and the IMF, and also by spreading the crisis to the entire southern flank of Europe by creating disintegrative political ambitions in Italy.

Scenario for Italy

As far as Croatia is concerned, today it has been put in a position of complete colonial dependence upon the international oligarchy that represents the interests of England and France. Keeping the Serbs as an antagonized political collective that controls a third of Croatia's national territory (in which it first exterminated Croats) is making it possible for the international arbiters to encourage a new war anytime—either by a Serbian attack against Croatia, or by a Croatian attack against the Serbs (as shown by the Maslenica case). The overall destabilization process remains under Anglo-Saxon supervision, and the international hierarchy—depending on the assessment of the situation—in the long term will also initiate tendencies toward the creation of a new Yugoslavia, or tendencies toward the war's spreading to Kosovo and Macedonia. All the options—with Croatia's current military behavior—are in their hands.

Faced with the chronic Serbian military challenge, to which it is afraid to respond because of the Anglo-Saxon pressures, as well as with a situation of complete economic blackmail by the IMF, an institution that has put itself in the position of the virtual owner of the Croatian economic system, Croatia today is experiencing a bizarre historical situation, rare even within the framework of its overall historical tragedy.

HSS Requests Transfer of Power in Varazdin Parish

93BA0908B Zagreb VJESNIK in Serbo-Croatian
5 Apr 93 p 7

[Article by K. Gumbas: "When the Transfer of Power Will Be"]

[Text] Varazdin—The Croatian Peasants' Party [HSS] and the Varazdin parish initiative committee held a big public discussion about further political activity. Also attending were representatives from the other Varazdin parties that signed the electoral agreement, and Eng. Drago Stipac, HSS president.

Candidates for positions in the Varazdin parish were presented. The HSS candidate for prefect is Dr. Zvonimir Sebati, and the candidates for assistant prefects are Miroslav Korenika, for the economy, and Dr. Zelimir Beer for public services; Milivoj Ladic is the candidate for mayor.

Mirko Lapaine, a deputy in the Parish Chamber of the Croatian Assembly, demanded that the authorities be replaced in accordance with the results of the elections. The Varazdin delegation's trip to see Vladimir Seks with a proposal on how to form a new government finally at the local level met with a cool reception, but in spite of that, the initiative committee is determined to convene a session of the Varazdin parish assembly unless the government adopts that decision during the period from 12 to 16 April.

The postponement of the transfer of power to those who won the elections in February is interfering with the normal functioning of life and the state, and Mirko Lapaine cited the example of the hampered operation of the courts, which owe their suppliers.

Drago Stipac said that "nothing can prevent the will of the people from being expressed," and advocated a government of national unity, and not a one-party government.

The HSS members decided to send a letter to the republic president demanding the replacement of Milan Vukovic, chairman of the state Electoral Commission, because of the 3 million Croatian dinars in damages incurred as a result of the late payment of campaign expenses.

The HSS members also voted for suspension of the decree on taxing weekend cottages, because the tax amounts had angered all the peasants. They expressed dissatisfaction with the decline in the purchase prices for livestock and milk.

Muslim Reduction of Electricity in Dalmatia

93BA0965A Zagreb GLOBUS in Serbo-Croatian
9 Apr 93 pp 10-11

[Article by Zeljko Rogosic, GLOBUS editor for Split: "Dalmatia Is Waiting for the General"]

[Text] The disintegration of Dalmatia's entire electric power system could occur at any moment! At the same time, complete darkness could blanket Herzegovina and central Bosnia. So, the entire system has failed from Zadar to Dubrovnik, from Split via Mostar to Tuzla, all the long-distance transmission lines, all the electrical installations, all hydro and thermal electric power plants are going off-line.

Behind the daily reports, which even now smack almost of indifference and the habit of living in the dark, the situation is very dramatic: In recent days, Dalmatia has been getting only slightly more than nine million kilowatt-hours [kwh] per day! Slightly more than a million kwh per day reach Dalmatia from Herzegovina, because the Capljina HE [Hydroplant] is operating at reduced capacity at the moment because of low water on the Trebisnica, which is controlled by the Serbs in eastern Herzegovina. The situation has been saved in the last several days by rain, which has made it possible to get about two million kwh instead of 1.1 million from the natural flow of the Cetina. The stage of the Cetina has risen, which has meant a larger discharge of 50 cubic meters per second, which means that the Orlovac and Busko Blato HE's, a negligible reserve for the blackest days, will not be used at the moment.

Bosnia Is Not Respecting the Agreement

The restrictions and disconnections on the 35-kilovolt [kv] high-voltage lines will be enforced without mercy, and so even the consumption by hospitals, bakeries, and water supply systems will be strictly controlled. The very bad situation is compounded by the failure to respect the agreement among the three electric power industries (HEP [Croatian Electric Power Industry], EP [Electric

Power] of B-H [Bosnia-Herzegovina], and EP of Herceg-Bosna [HB]) concluded 21 March 1993. At this moment, power is being generated to meet the needs of Dalmatia, Herzegovina, and Bosnia only in Herceg-Bosna, on the watershed of the Neretva and at the Capljina HE. The EP of HB has fulfilled all the conditions of the letter of intent dated 21 March, and has been generating six million kwh per day. The agreed quotas and distribution whereby Dalmatia would receive two and a half million kwh per day, Bosnia two million, and Herceg-Bosna one and a half million kwh have not, however, been respected a single day.

Not only is Dalmatia not getting the quota foreseen, but until 1 April no less than 53 percent less current than the quantities agreed was coming from Herzegovina hydroplants. Even Herzegovina was getting 14 percent less than envisaged. Bosnia, then, got 67 percent more of the energy generated than the quantity agreed on. The lack of discipline, the impossibility of control and disconnection, the cold weather in Bosnia, breakdowns on power-generating units of the Tuzla and Kakanj TE's [Thermal Plants], causing a shortfall of their own production of one and a half million kwh per day—are officially given as the reasons why the agreement is not being abided by.

Milan Bobetko, deputy general director of HEP in Split, embittered by these departures following the new agreement among the three electric power industries, will announce the strictest measures so that consumption is brought into conformity and the relations indicated reestablished in distribution. Disconnections of the 110-kv network are being announced, which will leave entire regions and cities without power if their consumption has been greater than allowed. The Rama HE was taken off-line for two days out of protest and as a warning to those who do not abide by the agreement. The outflow of an additional one and a half million kwh to Bosnia signifies an additional emptying of the exceedingly dry Busko Blato by three and a half million kwh per day. The situation, then, has become white-hot—if the small amount of power generated cannot be distributed according to agreement, then physical separation of the systems will be resorted to as a last resort, which certainly has adverse consequences for everyone! But it is more realistic to expect that the system will fall apart in and of itself because of this difficult situation.

The Critical 50 Cycles

It is a big question whether the HEP will actually undertake to separate the systems, to cut off the Bosnian section, which has been undisciplined in its use of energy. Many, that is, believe that that measure could cause great and lasting traumas and frustrate future cooperation, especially because the very scant, unclear, and contradictory information coming from the HEP concerning when the Tuzla and Kakanj TE's will go on line have made Dalmatians feel more and more like prisoners of Bosnia. "Dropping" Bosnia from the joint power system could jeopardize delivery of power from Tuzla and Kakanj once all the technical, economic, and, above all, political problems are solved.

In that charmed circle of defensive energy policy, there seems to be no way out, and the question of disintegration of the system, i.e., of what is left of it, even without disconnection of a part of it, is only a matter of time! Disconnection in Bosnia, for example, means the instantaneous cessation of supply to Zenica, Travnik, or Zavidovici; in Dalmatia, the regions of Split or Dubrovnik. Over the next six days, three generating units of the Jablanica HE will shut down for repairs, but that will not have a decisive effect toward increasing the present 15 hours of reduction.

In what manner and why could there be a disintegration of the entire electric power system in the triangle of Dalmatia-Herzegovina-Bosnia?

In every electric power system, production must cover consumption, and the entire system achieves this ability thanks to the all-inclusiveness of the network. The West European system has a power of several hundred thousand megawatts [MW] and it is not felt at all when some part of it goes off-line. The "spinning reserves" in the system help one another out. For that system to break down—and before the war our own western power branch (Croatia and Slovenia) was connected to it—20,000 MW of generating capacity would have to go off-line simultaneously in the wintertime, when consumption is high, while in the summer it would take 16,000 MW of power for the frequency to drop by just 1 hertz [Hz]!

Frequency is the most important criterion for the proper operation of an electric power system. All devices, machines, and computers in Europe are adjusted to a frequency of 50 Hz. It is necessary to constantly maintain exactly that frequency, to balance overall production and consumption, so that it always remains at the same level. Maintaining a frequency of 50 Hz is a horrible problem in our electric power system (Dalmatia, part of B-H, and Herceg-Bosna) because of the low capacity of power plants. Changing consumption by only 50 MW changes the frequency by 1 Hz, and departures from the frequency of 50 Hz are possible only within the range of 0.1 Hz, and the frequency must be controlled within the limits of 49.9-50.1 Hz if the system is not to fall apart.

Ramadan-Bajram Lowers the Frequency

The tape of the frequency meter dramatically shows an average day in Dalmatia, when the frequency exceeds 51 Hz and falls below 49 Hz. This has caused such shocks that only the urgent intervention of load controllers has been saving the system from disintegration. For example, on Ramadan-Bajram frequency in the early morning, at 0315 hours, fell to a critical 48 Hz! All of the Muslim provinces in Bosnia and Herzegovina were preparing food in the early morning, consistent with religious custom, and thus threatened the entire system.

Thanks to the vigilance of the load controllers, a unit at Orlovac was urgently put on-line to restore the frequency to 50 Hz.

It takes real skill to maintain this kind of minisystem, which is threatened with ruin because of the uncontrolled consumption of the small quantities generated, and the load controllers have been working under great physical and mental strain. Disintegration of the system means physical separation of the power plants from the consumers, and if disintegration should begin by Zakucac (100 MW) going off-line and a fall of the frequency to 48.5 Hz, in a situation when there are no "spinning reserves," further disintegration travels, for example, to the Capljina HE, which is taken off-line by its safety system, and then the wave of disintegration would go all the way to Kakanj (in which two small plants of 32 MW each are nevertheless operating) and Tuzla (where units of 100 MW and 50 MW are operating).

Those few thermal plants which are operating, then, would drop out of the system, and that would mean total darkness. Reconnection of the system would begin by starting up one hydroplant (they are more resistant to dropping out of the system than thermal plants), and it would then be synchronized with other hydroplants and long-distance transmission lines, which, the specialists say, would be technically possible in a rather short time because of the relatively small system. But the possibility of such situations becoming frequent and the damage caused in the consumer network by these stresses are extremely great. All machines under load would suffer. The logical consequence of such situations is to increase cutbacks and darkness and to consume more of the strictly controlled water reserves. If the system is to be linked together and maintained, production has to be increased, which means exhausting reserves of storage reservoirs which are at a low level. The Rama storage reservoir now contains 260 million kwh, which is good for this season. Jablanica is slowly filling, but the situation at Peruca and Busko Blato is disastrously bad.

The Power Offensive of General Cermak

The reliability of the system is proportional to its size. Technically, it would be possible to "cut off" Bosnia, aside from all the moral and humanitarian reasons, which must be very closely borne in mind. But that would leave two still smaller and still more vulnerable parts of the system connected: the Dalmatian part of the HEP and Herceg-Bosna. That measure, then, is technically and politically equivalent to suicide.

There is no dispute that the situation is disastrously bad, there is no dispute that the system could shut down, could even shut down repeatedly, nor is there any dispute of Milan Bobetko's statement "the truth should be told: there is no power!" However, it is debatable, and top officials of the HEP themselves admit this, that all activity should be aimed at the most optimum division of those six million kwh per day, instead of, or at least accompanied by, seeking and securing new sources of energy and building new transmission lines. The truth needs to be clearly stated that there is no power for Dalmatia at the moment, but it should be stated still more clearly where there is power and how it can be obtained.

The government of Nikica Valentic is taking over the conduct of energy policy in Croatia along with the new energy minister, Ivan Cermak, and it is conducting an extremely offensive energy policy. We therefore should welcome the perhaps risky, but brave, although for many people extremely surprising, decision by Valentic to entrust at this moment the very sensitive portfolio of industry and energy, for which an INA official even competed, to Colonel General Ivan Cermak of the Croatian Army. It is obvious that after the theoreticians the head man at the Ministry of Energy will be a proven practitioner, with exceptional experience in business and the military. Does this mean that on certain issues General Cermak will have to display and prove his decisiveness as a soldier, above all in reestablishing the "Bosnian connection," but also in overcoming the "Knin bottleneck," and reestablishing the western electric power branch?

Minister Cermak, a successful businessman, had seven different enterprises in Zagreb, from one in the field of engineering to Forum, whose business was establishing connection for supply of weapons and equipment to the Croatian Army. Although Ivan Cermak has only secondary specialized training, Prime Minister Valentic obviously believes that his 24 years in private business and the war, above all his logistical experience, could be a guarantee for successful supervision of the operation of restoring power to Dalmatia and putting back together the Croatian power system!

Drnovsek on Free Trade Agreement With Czech Republic

AU0705201493 Prague HOSPODARSKE NOVINY in Czech 6 May 93 pp 1, 29

[Interview with Prime Minister Janez Drnovsek by Jirina Shrbena; place and date not given: "We Are Opening the Door Together"]

[Text] The memorandum on the liberalization of mutual trade, signed by the prime ministers of both governments in Prague on Tuesday [4 May], is considered to be an important milestone in the further intensification of economic cooperation between the Czech Republic and Slovenia. At the conclusion of his official visit in the Czech Republic, Slovene Prime Minister Janez Drnovsek granted an interview to HOSPODARSKE NOVINY.

[Shrbena] Sir, what are your impressions of the talks with the representatives of the Czech Government that have ended just now?

[Drnovsek] My impressions are very positive. The talks were businesslike. Czech Prime Minister Vaclav Klaus and I exchanged our opinions and views on the economic policies in both countries and compared the processes of transformation in the Czech Republic and in Slovenia. I believe that we are solving very similar problems, and this is why the exchange of opinions is precious and useful to both sides. Both countries are conducting basically identical economic policies and are achieving similar macroeconomic results. Regarding privatization, however, we are one step behind you. I consider the documents that we have just signed—particularly the memorandum on the liberalization of trade—to be strong stimuli for mutual economic relations.

[Shrbena] What chances are you giving to the tentative free trade zone between Slovenia and the Czech Republic? Are there some obstacles which could appear in the final stage of the talks when the Czech Republic's relations within the customs union with Slovakia and within the Central European Free Trade Agreement (CEFTA) are taken into account?

[Drnovsek] The free trade zone represents quite a difficult step for both parties. This is because, among other things, customs and import markups should be abolished within a short period of time. Apart from that, manufacturers are not always happy because of that, since this will make competition on the domestic market even stronger. This is why we must expect some problems, and pressures from certain places. Nevertheless, the economy must be open, since if we just closed the door one on another, then it would be difficult for us to open ourselves to the competition from advanced countries, for example, from the EC. I believe that the agreement will bring something positive to both countries. We are also expecting that Slovakia, too, will join the free trade zone agreement. Slovakia's representatives are participating in applicable talks and they are expressing, in principle, their approval of the treaty. We have also opened similar talks with Hungary and Poland, but they are proceeding at a slower pace.

It seems that representatives from these countries will push for a longer transition period toward a complete customs-free regime—longer than in the Czech Republic's case—because of the protection of their markets in agricultural products, for example. I think that Slovenia and the Czech Republic will become a model, and I assume that Slovakia, too, will join, and Hungary and Poland later on.

[Shrbena] Does Slovenia intend to liberalize its trade with some other countries, for instance, with Austria?

[Drnovsek] Yes, were are holding talks with Austria on this subject. The Austrians, themselves, are interested in concluding this treaty, and it is likely that the treaty will be signed. We have also started talks with Switzerland about concluding a bilateral, or trilateral treaty.

[Shrbena] What are Slovenia's current economic relations with other republics of the former Yugoslavia?

[Drnovsek] As a consequence of the international embargo, we have severed all our trade contacts with Serbia and Montenegro. Naturally, this was a great shock to our economy, since our enterprises had exported large quantities of goods into these regions. Slovenia's another important partner—Bosnia- Herzegovina, an important supplier of raw materials—was destroyed. Trade narrowed to a very small turnover. We believe that, after the stabilization of the overall situation, mutual economic relations will be revived—but not to the previous level. Croatia is one of the Slovenia's four most important economic partners. Among our countries, there is a free trade zone, but Croatia, stigmatized by the war conflict, was not sufficiently prepared for that, and has introduced some obstacles to trade. Nevertheless, I believe that we will succeed in reviving our mutual trade. In the current situation, this will depend mainly on the capability of the Croatian economy.

[Shrbena] Does Slovenia support sending international forces to Bosnia-Herzegovina? Will this be necessary, in your opinion?

[Drnovsek] I hope, this will be not necessary. The threat of intervention is a certain form of international pressure, the intention of which is to continue peace negotiations. I believe that peace talks will be resumed and the intervention will become unnecessary.

Drnovsek Views First Hundred Days of Cabinet

AU0805155293 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 7 May 93

[Text] At the news conference this morning, Prime Minister Dr. Janez Drnovsek spoke about the first hundred days of his cabinet. According to Drnovsek, today's news conference introduces regular monthly meetings with reporters. Sonja Znidarsic reports:

[Begin Znidarsic recording] The hundred days are over. According to the prime minister, the government in this period accomplished its outlined objectives, but at a higher cost and in a more stormy atmosphere than it had expected when it began its term of office.

The government primarily had to face excessive growth of salaries, unlawful privatization, revisions, and well-known affairs. Parallel to all this, the government strived to pursue an economic policy that would provide the necessary stability and provide the basis for an economic rebound in the coming year. All this, of course, on the condition that there will be no major social conflicts, collapses of the economic policy, or political instability.

The international financial institutions, too, judge the directives envisaged by the government to be correct. The image of Slovenia has improved considerably in the last few months. Among the achievements, the prime minister singled out the muzzling of inflation and monetary policy. Efforts to agree a social pact with the trade unions are currently underway. The successes in the integration of our country into international financial and other institutions should not be overlooked, either. Especially important here is the agreement with the EC, which is particularly advantageous for the economy, bearing in mind that the EC markets are very important. Exporters have recently had more reason to be content as a faster depreciation of the Slovene tolar yielded better business results for them. Drnovsek also stressed that there is no danger of the Slovene tolar devaluing seriously.

When asked by a journalist in which departments the problems are currently the greatest, the prime minister replied that they are definitely in the spheres of property transformation and unlawful privatization. He said that more attention must be paid to the judicial system. The judicial system and a law-governed state are recently going through a tough test. To help resolve the open issues, a legal council will be formed beside the economic council.

The government considers the adoption of the budget an important achievement. The government's internal objective is that the budget deficit be lesser than planned.

Prime Minister Drnovsek also said that, for a country of Slovenia's size, our public spending is enormous. However, he said, a general social consensus and widespread readiness are needed for the limitation of certain sensitive rights. We were told that these issues will soon come on the agenda.

Janez Drnovsek dismissed complaints by some circles that the government was usurping the powers of the parliament as being unsubstantiated criticism by the opposition, stating that the government is working exclusively within the limits of its authority. [end recording]

Federal

Owen: Pressure for Military Option in Bosnia Easing

AU1005115593 Paris AFP in English 1137 GMT 10 May 93

[Report by Graham Brown]

[Text] Brussels, May 10 (AFP)—Pressure for quick western military action to impose a peace plan in Bosnia-Herzegovina is easing up, the European Community's mediator in the Yugoslav conflict, Lord Owen, said here Monday.

Speaking to journalists during a meeting of E.C. foreign ministers, he welcomed the decision by Serbian President Slobodan Milosevic last Thursday to stop helping Bosnian Serbs.

"We do not want military action to be seen as the solution. It is not," said Owen, who was in Brussels to brief the E.C. foreign ministers on the situation in Bosnia.

Earlier, diplomats said that Milosevic's decision to impose an embargo on all except food and medical supplies to the Bosnian Serbs would act as a counterweight to U.S. pressure for rapid military intervention in Bosnia.

British Foreign Secretary Douglas Hurd said of the Serbian embargo: "I think we have to test that.... We have to be sure (Milosevic) is applying that pressure and there may be ways we can help him do that."

Owen spoke of growing indications that Serbians in Serbia itself were turning against the Bosnian Serbs and lining up behind the Bosnian peace plan, crafted by Owen and U.N. mediator Cyrus Vance.

Last week the self-styled Bosnian Serb parliament voted against endorsing and instead called for a referendum to be held on May 15 and 16.

The decision fueled U.S. pressure on the E.C. to endorse military action against the Bosnian Serbs, and prompted Milosevic to cut off supplies to them.

The embargo will have little impact, a Bosnian Serb official said in Belgrade Monday.

Dragisa Jokic, secretary general of the presidency of the self-proclaimed Serb republic in Bosnia, said: "It's going to be tough for us, but we will survive. We will continue to receive what we need, medicines and food aid."

Owen dismissed the forthcoming referendum as "obscene" since it was being held "in a war-ravaged country by those who are doing the ravaging".

He said he would be giving the result "not one ounce of credit" and added: "I would strongly advise (the international community) to have nothing to do with it at all."

The E.C. mediator acknowledged a "difference of perception" between the E.C. and the United States over Washington's proposals for air strikes against the Bosnian Serbs, and the re-arming of Bosnian Moslems to help them fight Serb aggression.

But he said the gap between Europe and the United States was narrowing, and refused to describe it as a rift.

Owen said that an upsurge of fighting between Croats and Moslems over the weekend was a "very serious development" which illustrated that the conflict in Bosnia could not be seen as just between Serbs and Moslems.

He insisted that relaxing an arms embargo in the region to re-arm the Moslems would do more harm than good, particularly since much of the weaponry would have to pass through Croatia.

Owen also expressed alarm at Croatian attempts to keep Moslems out of areas in Bosnia which would be predomintly Croatian under the Vance-Owen plan.

"This is a very troubling aspect.... It is not acceptable," he said.

Hurd: Serbian Sanctions on Bosnian Serbs Should Be Tested

AU1005094293 Paris AFP in English 0826 GMT 10 May 93

[Text] Brussels, May 10 (AFP)—Western countries are likely to hold off from military action in Bosnia-Herzegovina in order to test the effect of Serbian sanctions against Bosnian Serbs, European diplomats said here Monday.

They were speaking as foreign ministers of the European Community met to discuss U.S. calls for strategic air strikes against Bosnian Serbs, and the re-arming of Bosnian Moslems to fight off Serb aggression.

British Foreign Secretary Douglas Hurd said on his arrival at the meeting that the decision last Thursday by Serbian President Slobodan Milosevic to stop helping the Bosnian Serbs was a "new element" that had to be considered.

"I think we have to test that.... We have to be sure he is applying that pressure and there may be ways we can help him do that," Hurd said.

And E.C. Commissioner Hans Van den Broek said: "We have to hope for the best but prepare for the worst."

Milosevic imposed an embargo on all deliveries from Serbia to the Bosnian Serbs except for food and medical supplies.

Last week the Community came under considerable pressure from the United States to agree on joint military action in Bosnia following the rejection of the international peace plan by the Bosnian Serb assembly.

But the White House, faced by European reluctance to embark on the military option, indicated at the weekend that it was willing to postpone military action until the Serbian embargo had been given time to work.

Cosic Comments on Situation in Bosnia

AU0905194193 Pristina TVP Television Network in Serbo-Croatian 1730 GMT 9 May 93

[Sonja Djuric report on statements by FRY President Dobrica Cosic at the ceremony marking victory over fascism on Mount Avala on 9 May—recorded]

[Text] [Djuric] The presence of foreign representatives was not only marked by protocolary talks. Mutual interest for direct diplomatic contacts was noticeable on this occasion, too, first with the Russian ambassador, then with Chinese charge d'affaires, and then with the Indian envoy.

In his talks with the U.S. military attache, President Cosic expressed the hope that the United States and FRY will remain allies as long as they exist.

The topic of conversation with the Romanian charge d'affaires was, no doubt, the recent visit by President Iliescu. As we have learned, on 19 May, after visiting Ljubljana and Zagreb, Ion Iliescu will visit Belgrade.

After his meeting with diplomats, President Cosic said:

[Cosic] All diplomatic representatives with whom I spoke want, of course, the war to end as soon as possible. In that sense they want, they are exerting a certain friendly pressure on us to influence the Serbs in Bosnia to accept the Vance-Owen plan. There is no need for them to tells us that. We are vitally interested in the soonest possible conclusion of the war in Bosnia-Herzegovina. However, our possibilities are limited.

I said on many occasions that we cannot command the Serbs in Bosnia. We can advise them, we can suggest things to them, but we cannot command them. They are experiencing very difficult moments regarding the Vance-Owen plan, which they cannot overcome easily. They are experiencing great problems, great resistance of the people.

I think that the international community should still try to make some compromises, make some concessions to them. Of course, they, too, should make compromises for a solution to be found. It is not good that no one has real creative initiatives at the moment. We all seem to have stopped after Pale. We should find new ideas and new people. Something essential should be proposed, something that would encourage all parties.

[Djuric] Finally, in a reply to a journalist's question on how correct were the speculations that the Serbs in Bosnia will not hold a referendum, but that there will be another assembly session, Dobrica Cosic said that he did not know anything about it.

Article Views Economic Effects of Blockade

AU0805153093 Belgrade VREME in Serbo-Croatian 3 May 93 pp 24-26

[Dimitrije Boarov article: "A Letter From Darkness"]

[Excerpts] On the decisive night, several hours before the already known UN Security Council's decision to hermetically close the Yugoslav borders was to come in force, after almost a year of the embargo that literally cut apart the Yugoslav economy, the strategists of the Serbian policy found courage to write a letter in which, among other things mentioned, they admitted that the citizens of Yugoslavia—Serbia and Montenegro—had invested "even more than they had been able to" in their war goals. If the Yugoslav leaders had not written this letter in the darkness, with no time left, and if they had not been seriously doubled up under the threat of new sanctions, perhaps the letter would have contained a broader analysis of the economic consequences following the international isolations—one that has lasted over a year, and the other, even more difficult one, that came into force on 26 April. [passage omitted]

Of course, not all the people are able to understand immediately the most basic aspects of the economy. So, for instance, we have Milenko Ilic, chairman of the Council of the Economic Chamber of Serbia, stating that "the last year and a half of living under the sanctions will actually help us, because we have started to build up a system of depending upon ourselves and our own resources." Vlajko Stiljkovic, chairman of the Economic Chamber, speaks of "the fall in production coming to a halt." Those are the people who tally the economic data, and hand it on to the political leadership.

When somebody underlines that the Zastava Automobile Factory in Kragujevac "took hold" of the production of 700 units out of 1,200 spare parts that used to be imported, one has to know that the bridge is not finished even if it almost reaches the other bank, and that one is still unable to cross it. Should one, on this occasion, remember that Zastava manufactured only 24,000 cars last year, in comparison to 100,000 cars in the year before, and to the planned production of 250,000 a year? Should one also add 1,200 manufactured trucks to this grim balance, instead of the 10 times as many that were planned? Does it make any sense to remember that Zastava's main partner DMB [extension not known] from Rakovica accomplished only 10 percent of the planned production of engines, and that it lost an almost completed contract with the firm of Lombardini regarding the annual production of 100,000 engines with low fuel consumption? What is the use of DMB taking over the production of engines, when there is nobody to buy them? What use can Zastava make of the production of sheet metals in Smederevo, when the Sartrid plant closed down the steel-works, because there is neither ore nor coke any more, and when it is impossible to import them now? As early as last year, Yugoslavia restricted the consumption of steel from 1,650 000 metric tons (1989) to 800,000 metric tons. Since the steel-works in Niksic announced the termination of production two days after the latest sanctions had become effective, an elementary question is raised: Is there any industry that works without consuming steel?

Untying the Tied

As for plastic, the situation is also not much better. For instance, Zastava announces in its technology attack that it will have surmounted the problem of plastic control panels for its cars by June. Unfortunately, the Petrohemija plant in Pancevo has been closed since June last year, while all other processing plants, manufacturing either plastic, natural rubber, or even vinegar, are also succumbing. Should one recall, that more than 5 billion dollars was invested in only this industrial branch in past decades?

The latest blow of the sanctions is annihilating precisely what has been put together by great toil during the past year and a half of the blockade. The Electronics Industry of Nis was inoperative for quite a long time. However, it has recently been accomplished for 9,300 out of 16,500 workers to resume their jobs (until recently 9,000 workers were "on vacation," while now it is only 7,500). Now, everything is questionable again.

In order to calm down its viewers, the television has usually highlighted some textile industries to show that something still works. However, the data show that, in the cotton industry, only 15 percent of capacities are utilized, about 20 percent in the knit-wear industry, while the garment industry is at about 40 percent capacity. It is difficult to evaluate if the major problem is the lack of imported materials, or if it is the impossibility for this branch to survive if it does not export at least 60 percent of its production. Without exports, around 200,000 people in the textile and leather industries will have no future. [passage omitted]

Fertilizers and Fuel

As soon as the tightened New York sanctions were confirmed in Bijeljina, flirting with agriculture started, although food is not so severely restricted by the sanctions (including even luxurious food, unless it is imported in enormous quantities). The public was informed immediately that the Council of Governors of the National Bank of Yugoslavia had approved loans worth 4.8255 billion dinars for the first half of year, and that already 2.1 billion had been put into circulation. Serbian Prime Minister Nikola Sainovic came to Novi Sad 24 hours after the new sanctions had become effective, in order to see if Vojvodina needed something!

We already know that the autumn season for sowing wheat is expected to be successful, as far as acreage is concerned, because more than 850,000 hectares have been sown, which is expected to give a yield of about 3 million metric tons (almost twice as much as yearly consumption). Nevertheless, one has to keep in mind that at least 30 percent of fields have been sown with plain seeds "from the attic." [passage omitted]

According to Sainovic, the spring sowing season is also going well, despite all possible shortages ("you can see them every day on the television," he says). Official estimates say that 500,000 hectares were sown up to the mid-April, out of 2.5 million that should have been sown. The Government announces that it has provided 59,000 metric tons of fertilizers, which is about 15 percent of normal needs. The Ministry of Agriculture is also dissatisfied with estimates that farmers are receiving only 60 percent of needed quantities of diesel. Since the home resources obviously cannot provide them with enough fuel without disturbing regular traffic, some idiotic ideas of reintroducing draft-horses in agriculture have started to appear. [passage omitted]

Last year, railway traffic was already reduced by almost 20 percent, road traffic by 10 percent. As is known, the traffic up and down the Danube was terminated after the "heroic" breakthrough to Prahovo, when our ships disregarded the signals given by Romanians and Bulgarians. Maritime shipping is also terminated, and there is little use of the Jugo-oceanija shipping company now being the Milena Ship Management LTD, and based in Malta (it owns 22 ships dispersed among its subsidiary firms), and there is also little use for former shipping company Prekookeanska Plovidba from Bar licensing its 18 ships under the new name of Reegel Ship Management Co. LTD on the same island. [passage omitted]

The time that has passed since 26 April has not yet shown whether the neighboring countries will implement a ground-sea-air isolation of Yugoslavia. The issue is of measures that are much more severe than those implemented against Iraq (approved exports of 1.6 billion dollars a year). Therefore it is not serious to analyze the consequences of such a blockade striking our economy, which is supposed to provide 10.5 million people with things ranging from a needle to a locomotive. How long we can endure solving the Serbian national question following the principle of "from here to eternity," and what are we actually waiting for, are the questions that were not answered even by the letter sent to Bijeljina at the last moment.

Deposed Generals Refuse To Leave Official Premises

AU1005122093 Belgrade BORBA in Serbo-Croatian 5 May 93

["CK"-signed article: "Deposed Generals Reject Orders?"]

[Text] FRY President Dobrica Cosic's military cabinet did not go into great detail to explain the pensioning of the two generals, except to say that this was sanctioned according to "needs of the Yugoslav Army."

Among the public, the deposing of the two generals was interpreted as being "the removal of the hard-line from the command of the Yugoslav Army," which can be linked to the latest political events and to international political negotiations regarding the solving of the Yugoslav war crisis.

Unofficial sources say that the sudden pensioning off of Domazetovic and Boskovic is a direct consequence of their abuse of their official posts, while the latest, unconfirmed information says that Domazetovic and Boskovic are refusing to leave their offices—owing to dissatisfaction with the Supreme Command's decision.

The information service of the Yugoslav Army's General Staff was reluctant to comment in greater detail on the pensioning of the two generals. True, they did confirm, to a certain degree, the allegations that Domazetovic and Boskovic were pensioned off because of abuse of official posts, so that we were told that Domazetovic, contrary to the rules of service, hired some people from the Yugoslav Army who were writing a book, which he signed as his own. Moreover, in answer to our question as to whether it was true that the two generals were refusing to leave their former offices, we were told that "such stories could be heard in the General Staff headquarters."

Judging by everything, the pensioning off of the two generals will have its media promotion. They believe that they have been unfairly treated, and they consider this to be an attack on their persons.

Kosovo

Serbs Send Convoys of Military Vehicles to Pristina

AU0805184493 Tirana Radio Tirana Network in Albanian 1330 GMT 8 May 93

[Text] Referring to Prishtina reports, ATA states that Belgrade continues to increase its military presence in Kosova. Meanwhile, the movement of the units moved there has been evidently increased. A convoy of about 25 military vehicles, which arrived from Serbia in Kosova yesterday, was seen near Podujeve on Kurshumli street in Prishtina. Another convoy with 25 military transportation vehicles was ordered to move from the Ferizaj military barracks to an unknown destination, accompanied by other vehicles.

Meanwhile, it is learned that the Serbian Command of Zenel Hajdini Military Barracks in Gjilan has ordered the plunder of the lands that are situated near this garrison. They have told the Albanian owners of these lands not to plough them, as military troops may need them. In the framework of the two-day discussions, in Vllashnje village near Bistrica Street, at the place called Vog Valleys, a unit of the Serbian Army has been installed since two days ago.